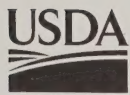


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



United States
Department of
Agriculture

Office of the
Secretary

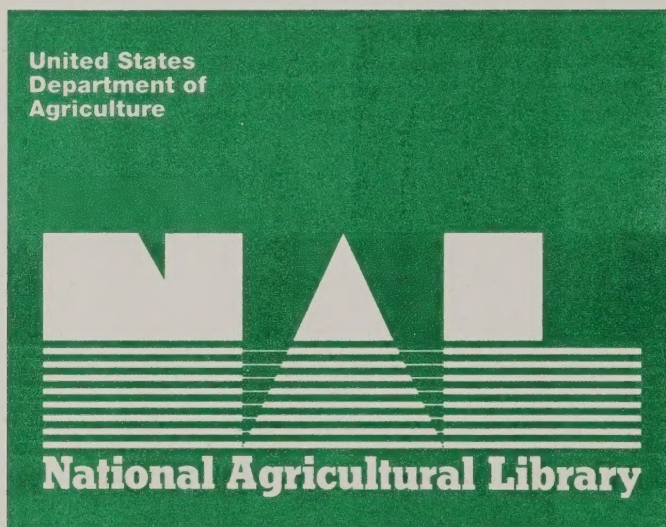
Strategic Plan 1997 - 2002

*A Healthy and Productive Nation
in Harmony With the Land*



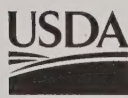
USDA





The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C. 20250, or call 1-800-245-6340 (voice) or (202) 720-1127 (TDD). USDA is an equal employment opportunity employer.



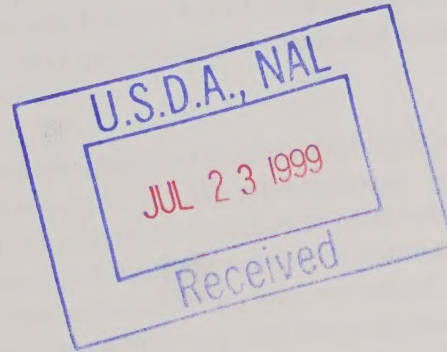
United States
Department of
Agriculture

Office of the
Secretary

Strategic Plan 1997 - 2002

*A Healthy and Productive Nation
in Harmony With the Land*

September 1997





September 30, 1997

United States
Department of
Agriculture

Office of the
Secretary

Washington, DC
20250

Message from the Secretary

I am pleased to present to the President, Members of Congress, and the American public, the U.S. Department of Agriculture (USDA) Strategic Plan for fiscal years 1997-2002. This plan was prepared in accordance with the requirements of the Government Performance and Results Act of 1993, and describes USDA's anticipated accomplishments. It is our intention to meet, and exceed, the high standards expected of us.

Today, though the scope of our responsibilities has expanded significantly, USDA continues President Lincoln's legacy by serving all Americans — the 2 percent of our Nation who farm and the 20 percent who live in rural America, as well as families needing food assistance and nutrition services, visitors to our national forests, the half of all American schoolchildren who eat school lunches provided through the National School Lunch Program, and everyone who needs safe food. Our commitment to meeting those responsibilities is reflected in the following three goals, which direct and guide USDA activities.

- Expand economic and trade opportunities for agricultural producers and other rural residents;
- Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply; and
- Promote sensible management of our natural resources.

These goals are supported by a set of management initiatives designed to provide effective customer service and efficient program delivery.

We support fair treatment of our clients, customers, and employees, and we will act quickly to take appropriate action to provide programs, services, and opportunities in compliance with all applicable civil rights laws and regulations.

We are committed to eliminating hunger with food assistance and gleaning programs, and to keeping our farmers competitive in global markets. It is the Government's role to keep international markets open, and we will continue our efforts to promote the export of American agricultural products, and to fight barriers to international free trade.

As we move into an era driven by demand, we seek to preserve the structure of American agriculture, to promote small and middle-sized farming operations, to encourage farmer cooperatives and other marketing operations that improve

the profitability of farm businesses, and fight against unfair practices in all concentrated domestic markets. We are weaving a new safety net for American farmers that will help protect our farms against losses due to poor harvests or natural disasters which might otherwise threaten the economic stability of American agriculture.

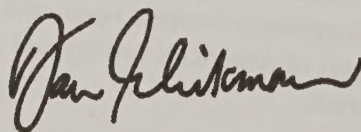
New programs coming from the Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill) provide an opportunity for us to strengthen the conservation activities of the Department. We support the emphasis on managing our diverse ecology—our soil, water, and air, as well as our forests and rangelands—and on producing sound scientific information to allow better resource management decisions.

As I pledged to President Clinton, we will work to ensure that people who live in rural America have opportunities for economic growth, for decent housing, safe water, and sanitary waste disposal. New programs like the Fund for Rural America and the Water 2000 initiative will make significant improvements in the quality of life for rural Americans.

I have been personally involved in developing this Plan and the Department's strategic goals, and I urge all USDA employees, partners, and stakeholders to read this Plan and identify their unique role in helping to achieve its goals. I urge all Americans to read this Plan and learn about the programs and services USDA offers, and how they can participate.

Times have changed, but not our goals or the intent President Lincoln had when he established the "People's Department." Farming should be profitable. Hard work should bring rewards. All Americans—urban and rural—should have adequate housing, running water, telephones, and telecommunications access to "the Information Superhighway." Air and water should be clean. Our food supply must be secure and healthy. Our people should not go hungry.

That is what we are about in USDA.



DAN GLICKMAN

Contents

Overview	1-1
Appendix 1: Mission Area and Agency Acronyms	1-26
Appendix 2: USDA Profile	1-27
Appendix 3: USDA Operating Environment, 1997-2002	1-35
Appendix 4: Linkage of USDA Goals/Subgoals to Agency Goals	1-39
<i>Mission Area/Agency Strategic Plans</i>	
Farm and Foreign Agricultural Services	2-1
Farm Service Agency	2-5
Foreign Agricultural Service	2-31
Risk Management Agency	2-47
Food, Nutrition and Consumer Services	3-1
Center for Nutrition Policy and Promotion	3-5
Food and Consumer Service	3-15
Food Safety	4-1
Food Safety and Inspection Service	4-1
Marketing and Regulatory Programs	5-1
Agricultural Marketing Service	5-11
Animal and Plant Health Inspection Service	5-25
Grain Inspection, Packers and Stockyards Administration	5-41
Natural Resources and Environment	6-1
Forest Service	6-5
Natural Resources Conservation Service	6-37
Research, Education, and Economics	7-1
Agricultural Research Service	7-17
Cooperative State Research, Education, and Extension Service	7-39
Economic Research Service	7-57
National Agricultural Statistics Service	7-71
Rural Development	8-1

Other

Alternative Agricultural Research and Commercialization Corporation9-1

Departmental Administration10-1

Departmental Offices11-1

- National Appeals Division11-3
- Office of Budget and Program Analysis11-13
- Office of Communications11-21
- Office of the Chief Economist11-33
- Office of the Chief Financial Officer11-45
 - USDA Financial Management Plan11-59
- Office of the Chief Information Officer11-73
- Office of the General Counsel11-89
- Office of Inspector General11-99

USDA Strategic Plan 1997 - 2002

Overview

Table of Contents

Background	1-3
The USDA Strategic Plan	1-5
Mission Statement	1-6
USDA Strategic Goals	1-6
Management Initiatives	1-21
External Factors	1-25
Program Evaluations	1-25
Conclusion	1-25

Appendices

1. Mission Area and Agency Acronyms	1-26
2. USDA Profile	1-27
3. USDA Operating Environment, 1997-2002	1-35
4. Linkage of USDA Goals/Subgoals to Agency Goals	1-39



...USDA has offices or committees in nearly every county of the Nation and personnel stationed around the world, providing food assistance to low-income households and supporting production agriculture, conservation, land management, international trade and marketing, economic development, and food safety.

Background

The U. S. Department of Agriculture has grown substantially from its creation in 1862. USDA's current operating budget of almost \$60 billion is exceeded only by those of the Departments of Defense, Health and Human Services, Treasury, and the Social Security Administration. Mandatory programs, which include the majority of the food assistance programs, farm commodity programs, and a number of conservation programs, account for three-fourths of the USDA budget. With a payroll of more than 100,000 staff years, USDA has offices or committees in nearly every county of the Nation and personnel stationed around the world, providing food assistance to low-income households and supporting production agriculture, conservation, land management, international trade and marketing, economic development, and food safety.

A major function of the Department is research, for the benefit of production agriculture, food safety, nutrition education, conservation, and the environment. Research is supported by a decentralized system of schools, experiment stations, and county service centers. Much of that system is the result of the Morrill Act of 1862, which established the Land-Grant colleges and provided Federal land to each State to support primarily agricultural, mechanical, and technical arts institutions of higher learning. In 1887, the Hatch Act established experiment stations at the Land-Grant colleges, uniting agricultural research with education. In 1890, the second Morrill Act established the Historically Black Land-Grant Colleges and Universities, now called the 1890 Institutions, and in 1914, Congress completed the link through legislation which provided for agricultural extension work to be administered through State agricultural colleges. Agricultural research, education, and the collection and analysis of statistical information continue to be a primary function

of several USDA agencies: the Agricultural Research Service, Economic Research Service, Cooperative State Research, Education and Extension Service, and National Agricultural Statistics Service.

Inspection and regulatory responsibilities were established by the Meat Inspection Act of 1890, and expanded shortly thereafter when USDA was authorized to implement controls on the importation of plants and animals to control diseases, insects, and parasites. In 1921, USDA began regulating meatpackers, and inspection of poultry for interstate commerce was added to the Department's responsibilities in 1957. Today, USDA administers a broad range of inspection and regulatory programs, and carries primary responsibility for the safety of commercial supplies of meat, poultry, and egg products. In 1995, USDA's Food Safety and Inspection Service began addressing microbial pathogens and making our inspection system more prevention-oriented, issuing the Pathogen Reduction/Hazard Analysis and Critical Control Point (HACCP) regulation. HACCP, the blueprint for the future of meat and poultry inspection, will greatly improve food safety by identifying and controlling hazards before products reach consumers.

Management of the National Forests, created "...for the purpose of securing favorable conditions of water flows, and to furnish a continuous supply of timber..." for the use of citizens of the United States, was transferred to USDA in 1905. In the ensuing years, the Forest Service has established a tradition of professional management of the 191 million acres of public land—which encompasses 155 national forests, 20 national grasslands, 5 national recreation areas, and 2 national monuments—and of broadening the original purpose to include ecosystem management, recreation, and conservation.

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill) strengthened the conservation activities of the Department, placing additional



USDA agencies carry out these responsibilities by operating more than 200 programs through the following 7 mission areas.

- *Farm and Foreign Agricultural Services;*
- *Food, Nutrition, and Consumer Services;*
- *Food Safety;*
- *Marketing and Regulatory Programs;*
- *Natural Resources and Environment;*
- *Research, Education and Economics; and*
- *Rural Development.*

emphasis on managing our diverse ecology—our soil, water, and air, as well as our forests and range lands—on private lands as well as public. The Natural Resources Conservation Service is the lead Federal conservation agency for private lands, providing conservation guidance through local conservation districts to individuals, communities, and State and local agencies.

Financial assistance to farmers began in 1916 with the Federal Farm Loan Act, which provided credit to farmers at reasonable rates. During the Depression, Congress authorized the Secretary of Agriculture to “stabilize, support, and protect farm income and prices; help maintain balanced and adequate supplies of agricultural commodities; and help in the orderly distribution of commodities.” In the decades since, farm commodity programs have undergone many changes. In 1954, legislation provided for flexible price supports and commodity set-asides to control supply. The 1977 Farm Bill provided price and income protection for farmers, and assured consumers of an abundance of food and fiber at reasonable prices. Subsequent farm bills in 1985 and 1990 continued these policies with few changes.

After the longest farm bill debate in history, the 1996 Farm Bill made significant changes by suspending the existing authority for many programs and loans, replacing with fixed annual payments over a 7-year period, removing the link between Government support payments and farm prices. Other provisions support rural development by adding to programs providing loans for rural electrification and helping farm families buy land and operate their farms. These programs in recent years expanded to provide telephone systems, water and wastewater systems, and more recently, modern telecommunications infrastructure and services, and long-distance learning. The 1996 Farm Bill reinforced these responsibilities by creating the Rural Community Advancement Program, a key feature of which is USDA leadership in forming partnerships and encouraging planning

for community development.

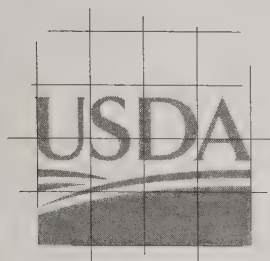
Although food programs now comprise about 60 percent of the USDA budget, they are a relatively recent addition to the Department’s responsibilities. In 1946, the School Lunch Program was established to assure one hot meal daily to schoolchildren. In 1964, the Food Stamp Program was added to provide food aid to impoverished families, and since that time the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program) and other food assistance programs have been added to support a national goal of eliminating hunger in our country. USDA plays a large role in enhancing world food security, as well, primarily through the Agricultural Trade Development and Assistance Act of 1954, generally known as Public Law 480, which authorizes the Secretary to provide various types of assistance including food relief donations to foreign countries.

USDA agencies carry out these responsibilities by operating more than 200 programs through the following 7 mission areas.

- Farm and Foreign Agricultural Services;
- Food, Nutrition, and Consumer Services;
- Food Safety;
- Marketing and Regulatory Programs;
- Natural Resources and Environment;
- Research, Education and Economics; and
- Rural Development.

Each mission area is a distinctive organization with one or more operating agencies, each focusing on its component role in the USDA mosaic and working with the other mission areas to fulfill the Department’s responsibilities to production agriculture; a safe, affordable,

nutritious and accessible food supply; sound management of forests and rangelands; and rural community development.



Together, the Overview and the agency plans fulfill all requirements of GPRA, as defined by guidance from the Office of Management and Budget (OMB).

The USDA Strategic Plan

The USDA Strategic Plan defines our goals and demonstrates how USDA agencies work together to achieve our common purposes, each with a role vital to the success of the whole. We view our Strategic Plan as a commitment to the American people to be accountable in our actions and expenditures, and to demonstrate our value through accomplishment.

The timeframe of this Plan is fiscal years 1997-2002, and represents our projection of program responsibilities and benefits over that 5-year span. However, we recognize that the rate of change in farm policy and other responsibilities may be considerably faster, and that we must be ready to respond to natural disasters, emergencies, and other events we cannot now foresee. In addition, the provisions of the 1996 Farm Bill expire in 2002, and we are aware that legislation will surely change our role at that time, if not before. We have structured this document to preserve our ability to respond quickly to changing demands through integration with our Annual Performance Plans, allowing us the flexibility to change our programs and initiatives as demand requires, and to reflect those changes in modifications to our Strategic Plan.

While the role of USDA continues to evolve, our commitment is to wise management of our resources, and to balancing the needs of production agriculture, environmental stewardship, economic development, and community vitality. As a result of the Department's reorganization and a streamlining plan developed in conjunction with the reorganization, significant reductions in both staffing and funding levels have been put in place. We are reviewing our processes and procedures, identifying what we want to accomplish, setting goals, and evaluating our

progress toward achieving those goals.

This Overview and the agency plans which follow comprise the USDA Strategic Plan, and provide a roadmap for how we plan to accomplish our Strategic Goals. The strategic plans of USDA mission areas and agencies are prepared in conformity with the requirements of the Government Performance and Results Act (GPRA) of 1993. Each plan includes:

- the mission statement of the organization;
- the goals and objectives of the organization;
- the strategies and resources for achieving the goals and objectives;
- the relationship of the long-term goals and objectives and the Annual Performance Plan;
- identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and
- a description of how program evaluations were used to establish goals and future program evaluations.

Together, the Overview and the agency plans fulfill all requirements of GPRA, as defined by guidance from the Office of Management and Budget (OMB). Performance measures and indicators in the agency plans provide a basis for measuring our success. Achievement of these goals and objectives depends upon resources—human, capital, information and other resources, as well as operational processes, skills and technology—and resources depend upon the budget process. The goals in this Plan represent the Department's priorities, and will be reflected in USDA budget proposals.

Our commitment is to "a Government that works better and costs less," and that commitment is reflected in the USDA Mission Statement, an overarching, integrating statement of purpose—an

“umbrella” under which the multiple missions of USDA agencies are united.

Mission Statement

The mission of the U. S. Department of Agriculture is to enhance the quality of life for the American people by supporting production agriculture; ensuring a safe, affordable, nutritious, and accessible food supply; caring for agricultural, forest, and range lands; supporting sound development of rural communities; providing economic opportunities for farm and rural residents; expanding global markets for agricultural and forest products and services; and working to reduce hunger in America and throughout the world.



USDA Strategic Goals

The mission of the U.S. Department of Agriculture is carried out by agencies working cooperatively, each with its own role, to achieve the Department’s mission. Embodied in the USDA Mission Statement are the three themes the Secretary has identified as strategic goals for USDA policies and programs:

- Expand economic and trade opportunities for agricultural producers and other rural residents;
- Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply, and
- Promote sensible management of our natural resources.

These goals are supported by a set of management initiatives designed to provide effective customer service and efficient program delivery.

USDA agencies work together and with other Federal, State, and local government and private sector partners to satisfy these strategic goals. Agencies

coordinate operations with these partners, and are coordinating with them in the development of strategic and operating plans, as well. A discussion of critical partnerships between agencies and with other entities follows each numbered objective.

A glossary of agency names and acronyms, a profile of USDA agencies, a brief description of USDA’s future operating environment, and the relationship between departmentwide strategic goals and individual agency goals are contained in appendices to this document.

Goal 1

Expand Economic and Trade Opportunities for Agricultural Producers and Other Rural Residents

Major aspects of the USDA mission are combined under the first USDA goal: enhancing the safety net for farmers; expanding global markets for agricultural and forest products and services; promoting a fair and competitive domestic marketplace; and providing economic opportunities to support sound development of rural communities.

■ 1.1 Enhance the economic safety net for farmers and ranchers

Farmers and ranchers face an increasingly risky economic environment as a result of changes to commodity programs which removed linkages between support payments and prices or production levels, and as a result of economic trends including agricultural industrialization and the concentration and globalization of markets. Technological change, environmental and conservation concerns, and the spread of pests and diseases are also significant factors, along with the unpredictable forces of nature.

The 1996 Farm Bill significantly altered the Department's role from directly influencing farm production and prices for major commodities to supporting the farm community, particularly small and medium-sized farm operations, with a safety net of broad-based risk management tools to identify, measure, and manage risk, to help farming and ranching operations of all sizes thrive in this increasingly competitive environment.

Crop insurance available to producers through commercial companies offers Federal Crop Insurance Corporation-designed, Government-backed insurance protection to cover production losses due to unavoidable causes, enabling farmers and ranchers to deal with fluctuations of the marketplace as well as with natural disasters. New revenue insurance programs insure farmers and ranchers against losses stemming from low prices or poor harvests, and help farmers mitigate risk through education, credit assistance, commodity loans and payments, conservation assistance, and emergency and disaster assistance. Technical assistance available to producers of all sizes encourages development of producer cooperatives and other marketing opportunities for small and medium-sized farms and ranches, to help them compete with larger producers.

Strategies to Achieve This Objective

The Risk Management Agency (RMA) is creating numerous risk management tools and ensuring their availability to producers, allowing them to customize their risk management plans. The Commodity Credit Corporation (CCC) provides disaster and emergency assistance, and commodity loans that provide producers with the option of holding their crops after harvest to take advantage of higher prices. The Farm Service Agency makes available supervised credit and technical assistance to borrowers. FSA utilizes an aggressive market placement program to help direct loan applicants to commercial lenders offering guaranteed farm operating loans. ARS conducts research in

increasing food production, improving the efficiency of agricultural production systems and enhancing the genetic potential of plants and animals, to decrease the risks caused by disease, pests, and extreme weather conditions. Cooperative State Research, Education and Extension Service (CSREES) promotes higher education in the agricultural sciences to ensure the long-term productivity of American agriculture. The Office of the Chief Economist (OCE) provides market intelligence, using statistical information gathered by the National Agricultural Statistics Service (NASS), and economic analysis provided by the Economic Research Service (ERS). The Alternative Agricultural Research and Commercialization Corporation (AARC) provides funding for research and commercialization of new products using agricultural and forestry materials and animal by-products.

Major Initiatives

- Support legislation to expand our authority to offer revenue insurance and make other program improvements to insure all agricultural production from disaster and price declines by the year 2000.
- Improve the response capability of the Noninsured Crop Disaster Assistance Program and other emergency programs.
- Establish and maintain farm income support through production flexibility contract payments.
- Maintain effective marketing assistance and price and income protection through commodity loan programs.
- Develop risk analysis and risk education initiatives to help farmers and ranchers develop production, marketing and risk management skills.
- Provide timely weather forecast data to agricultural producers, so they can make appropriate decisions regarding crops.

- Maintain farm loan program emphasis on repayment ability and targeted assistance.
- Promote skills development to hasten the transition of farm credit borrowers from Government loans to commercial lenders.
- Implement Electronic Warehouse Receipts and other documents of title for all agricultural commodities.

Other Entities Involved

USDA works with producer and trade groups to deliver commodity program loans and payments, with commercial banks to deliver credit assistance, and with the private insurance industry to deliver crop and revenue insurance to producers. Other Government agencies such as the Commodity Futures Trading Commission, which oversees commodity futures markets, work with USDA to develop new risk management options for producers. Agencies such as the Federal Emergency Management Agency work with USDA to address the consequences of natural disasters for farmers and rural communities.

■ 1.2 Open, expand, and maintain global market opportunities for agricultural producers

Changes in Federal farm policy make it clear that growth in income for farming and ranching operations of all sizes is increasingly dependent on market expansion and export growth. The USDA role is to protect and expand the position of American agricultural and forestry products in foreign markets, and to ensure “a level playing field” in domestic markets, to preserve a structure of American agriculture which promotes prosperity for agricultural producers of all sizes.

Increases in world income and economic growth are helping to spur foreign demand for American agricultural products, and recent trade agreements are pro-

viding unprecedented access to foreign markets by helping to lower tariffs, removing non-tariff barriers, and reducing export subsidies. Since 1991, American agricultural exports have increased by more than 50 percent. In 1996, exports accounted for 24 percent of farm income; by the year 2000, 30 percent of each dollar of farm income is expected to come from the export market. To maintain this momentum, we must expand international market opportunities, and assist American agricultural producers to respond to global consumer expectations.

Exports of American farm and food products set another record in 1996, at just under \$60 billion, and supported 1 million jobs both on and off the farm, one-third of which are in rural areas. To protect these jobs, USDA will continue efforts to enhance the international competitiveness of agricultural exports, implementing vigorous export promotion strategies. Competitor countries are expected to continue to use export subsidies and export credit and non-price sales promotions, and as a result, international competition for agricultural markets is expected to remain keen. Negotiating reform of international trade practices and ensuring full compliance with agreements such as the North American Free Trade Agreement and Uruguay Round Agreement on Agriculture will be most important. For example, a key outcome of the Uruguay Round is that sanitary and phytosanitary (SPS) trade measures are to be based on sound scientific principles. We will work closely with international agricultural markets over the next 5 years to ensure that SPS trade barriers are reduced.

Just as we must protect our ability to produce and market agricultural products in expanding international markets, we must promote efficiency and combat unfair practices in domestic markets. As recommended by the USDA Advisory Committee on Agricultural Concentration, we will continue to aggressively monitor the performance and structure of the livestock, meat, and poul-

As agriculture enters the Information Age, USDA also has an important role to play as an information broker.

try industries, and investigate anti-competitive practices to ensure that farms within concentrated industries are not using market size or dominance to adversely affect competition.

As agriculture enters the Information Age, USDA also has an important role to play as an information broker. USDA collects, produces, and disseminates a vast amount of information about agriculture and rural areas—from basic data to comprehensive analysis to long-term weather, crop, and market forecasts—which can assist producers of all sizes, and we must improve market information to producers. We must provide good weather and climate information and cost-effective user fee commodity grading and other marketing services, and we must assist American agricultural producers to respond to threats to production or delivery capabilities.

Strategies to Achieve This Objective

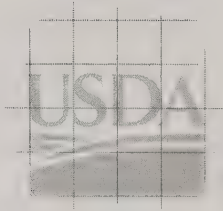
The Foreign Agricultural Service (FAS) takes the lead in opening and expanding global market opportunities for American food and agricultural enterprises through trade agreements, market promotion activities, commodity analysis, and export credit programs. FSA administers farm commodity and credit programs. NASS provides price and production data that assist in the administration of agricultural price, income support, and production adjustment programs. The Food Safety and Inspection Service (FSIS) assures safety in meat, poultry, and egg supplies. The Grain Inspection, Packers and Stockyards Administration (GIPSA) regulates the marketing of livestock, poultry, and meat, and inspects grains and oilseeds. AARC supports research and new production technologies to find new uses for agricultural products and bring jobs and development to rural America. The Agricultural Research Service (ARS) develops new science and technologies to eliminate SPS barriers to free trade.

The Agricultural Marketing Service (AMS) is a key agency tasked with setting standards for the marketing of agricultural

products and ensuring fair trading practices. The Animal and Plant Health Inspection Service (APHIS) responds to issues involving animal and plant health and animal well-being. OCE provides economic analysis of markets, using statistical information gathered by NASS and analyzed by ERS. CSREES provides research, education and outreach activities promoting producer access to domestic and foreign agricultural markets. The Rural Utilities Service (RUS) helps bring modern telecommunications infrastructures to rural areas, allowing agricultural producers access to the latest market information.

Major Initiatives

- In coordination with the interagency Trade Policy Steering Committee, pursue trade liberalization through bilateral agreements, regional free trade agreements, and the next round of multilateral trade negotiations; monitor and secure compliance with multilateral and bilateral trade agreements.
- Increase American exporter access to the most promising agricultural, fish, and forest product markets.
- Increase demand for American agricultural exports by 5 percent over current export targets by the year 2000, through effective use of market development and export promotion programs.
- Assist American agriculture to respond to global consumer expectations, worldwide health and environmental sustainability concerns, and technical barriers to trade; aggressively counter unfair trade practices of competitor nations and encourage the use of sound science to justify sanitary and phytosanitary trade barriers.
- Increase usage of export credit guarantees in high-growth emerging markets for all products, with special emphasis on expanding credit availability for private sector programs and high-value products.



Many USDA market development activities are carried out cooperatively with non-Federal entities, including State departments of agriculture, State regional trade associations, agricultural cooperatives, farm organizations, and private sector trade promotion associations.

- Shift the multiple objectives of Food for Progress and Emerging Markets programs toward increased focus on long-term market development by targeting assistance to those developing countries with the best prospects of becoming future commercial markets.
- Expand the scope and improve the accuracy and timeliness of global market information; provide objective statistical information, market intelligence and analysis, and long-term agricultural forecasting.
- Preserve and strengthen family farm agriculture through effective outreach efforts, and increase the number of underserved, small, and limited-resource family farms participating in USDA programs.
- Conduct research and disseminate information on sustainable farming practices that are suitable for smaller farms, and provide farm loans to assist eligible individuals to become successful farmers and ranchers.
- Enhance producer access to fair and competitive markets by developing and implementing appropriate marketing standards, cost-effective user fee commodity grading, plant and animal health measures, and other marketing services.
- Implement the recommendations of the Advisory Committee on Concentration to provide more and better information to enable markets to work better.
- Establish a dealer trust for the livestock industry similar to the packer trust, to protect farmers from financial losses in marketing.
- Reform Dairy Marketing Orders to consolidate and streamline operations that improve equity and efficiency for the industry.
- Provide producers with the science-based information and technology necessary to achieve the productivity and sustainability that characterizes a strong and viable production system.
- Employ the Internet and other electronic communication opportunities to speed dissemination of market and weather news and information.
- Produce and disseminate the economic, statistical, technical and science-based information regarding potential overseas markets and export opportunities necessary to generate new and improved products and processes for global customers.

Other Entities Involved

Trade agreements and enforcement of the agreements are coordinated through an interagency process. USDA works closely with the Office of the U.S. Trade Representative on trade policy, and with the Departments of State, Commerce, Treasury, and the Office of Management and Budget, and coordinates on SPS food trade issues with the Food and Drug Administration. USDA is a member of the interagency Trade Policy Coordinating Committee, which reviews and coordinates export promotion programs, and works with the Export-Import Bank and the Overseas Private Investment Corporation on trade promotion issues. USDA is actively involved with many international organizations which have important roles in international agriculture and trade, including the World Trade Organization, the Food and Agriculture Organization of the United Nations, the Organization for Economic Cooperation and Development, the International Grains Council, and the Inter-American Institute for Cooperation on Agriculture.

Many USDA market development activities are carried out cooperatively with non-Federal entities, including State departments of agriculture, State regional trade associations, agricultural cooperatives, farm organizations, and private sector trade promotion associations.

■ **1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents**

A major concern of USDA is ensuring that the 20 percent of Americans residing in rural areas have the same opportunity for economic growth as other Americans. Rural America has fewer job opportunities and lower income than the rest of the Nation. Rural America faces greater difficulty in providing basic community facilities and services—3 million rural households lack adequate, safe water and 1.3 million rural Americans live in substandard housing.

To ensure that local needs are met, USDA is partnering with State and local governments, educational institutions, and private sector and non-profit organizations to tailor programs to meet the special needs of rural communities. We are working to assure that local delivery of USDA programs is fair and equitable, and we are developing outreach services to encourage the participation of socially disadvantaged communities and businesses.

The future prosperity of rural America will rest on economic diversity, particularly in value-added industries, and USDA is committed to maintaining and improving the quality of life in rural America through more effective use of Federal dollars invested in housing, telecommunications, community facilities, rural utilities and rural businesses, assuring equal access to the benefits that can be realized through these investments.

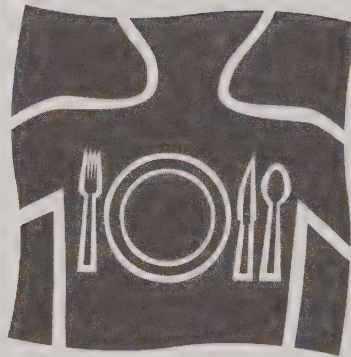
Strategies to Achieve This Objective

USDA's Rural Development (RD) agencies—Rural Housing Service (RHS), Rural Utilities Service (RUS), and Rural Business-Cooperative Service (RBS)—have the lead role in the economic development of rural communities, providing affordable credit and technical assistance

to families and rural communities to build, purchase or rehabilitate housing for low-income families; providing community facilities for fire protection, health care clinics, and libraries; working with private sector lenders to meet business credit needs in rural areas; and providing loans and grants to rural cooperatives to develop telecommunications, electric, water, and wastewater services. FSA provides supervised credit and technical assistance to borrowers to aid them in obtaining secure loans from commercial lenders. ERS provides economic analysis of investment, employment training and demographics, and how they affect rural economies. CSREES supports research and higher education in the food and agricultural sciences, and extension services to rural residents. The Food and Consumer Service (FCS) provides nutrition and food assistance programs to children and low-income adults in rural areas. Forest Service (FS) operates economic recovery programs in communities dependent on natural resources, and the Natural Resources conservation Service (NRCS) provides technical assistance to plan, develop, and implement resource conservation programs. AARC supports research and new production technologies to find new uses for agricultural products and bring jobs and development to rural America.

Major Initiatives

- Implement the President's Water 2000 initiative for low-income residents who do not have drinking water in their homes, or who have substandard water quality or unsanitary waste disposal.
- Support the President's National Homeownership Initiative by maintaining the direct single family housing program for low-income families, and encouraging continued growth in the guaranteed loan program for rural residents.
- Provide decent, affordable housing, clean water and sanitary waste disposal, and safe working conditions for all farm workers by the year 2000.



- Ensure the existing stock of rural rental housing projects is preserved for low-income families and that new rental housing projects remain affordable.
- Create 100,000 new jobs in rural America by the year 2000 by encouraging and enhancing agricultural diversity, promoting marketing networks and cooperative partnerships, and developing new products and processes, particularly value-added processes which hold promise for creating good-paying jobs in rural areas.
- Develop the telecommunications infrastructure and reasonable-cost access to the Internet in rural areas to assure that every school, hospital, and business has Internet access by the year 2000, providing access to marketing, crop and weather information, and distance learning.
- Develop and analyze demographic, natural resource, infrastructure, and program data on rural communities to improve upon the success of existing rural Empowerment Zones, Enterprise Communities, and Champion Communities initiatives to enhance local economic climates in rural areas.
- Implement the Fund for Rural America, giving emphasis to projects that integrate research, education, and activities designed to expand economic opportunities, remove barriers and help rural areas and communities plan for the future.

Other Entities Involved

USDA partners with a variety of entities, such as commercial banks and community development corporations and organizations providing technical support (such as the National Rural Water Association). State agencies administer other sources of financing, such as tax credits that are used in conjunction with USDA assistance.

• • • • •

Goal 2

Ensure Food for the Hungry, and a Safe, Affordable, Nutritious, and Accessible Food Supply

USDA supports production agriculture to ensure adequate supplies of affordable and nutritious food, and safeguards and ensures standards of quality in the food supply through inspecting and grading services. We operate food and nutrition assistance programs to assure children and low-income families access to a healthy diet. We support gleaning and other food recovery efforts that make available nutritious, wholesome food to needy members of our population. We develop dietary guidelines to promote good nutrition, and encourage the development of farmer cooperatives and farmer's markets, which support the structure of American agriculture by promoting marketing opportunities for small and medium-sized farming and ranching operations, and offering farm-fresh foods to consumers.

■ 2.1 Reduce hunger by assuring low-income households access to adequate supplies of nutritious food

Almost 60 percent of USDA-appropriated funds support food assistance programs operated by FCS: the Food Stamp Program; the Child Nutrition Programs, including the National School Lunch Program and the School Breakfast Program; the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); and other food assistance programs for vulnerable populations. USDA is committed to fighting hunger, alleviating food insecurity, and improving the nutritional knowledge of Americans through a variety of programs. These national programs work individually and in concert to provide a nutrition safety net for children and low-income adults.

Our programs are offered without discrimination to all who are eligible. We develop appropriate special programs for groups with special needs, and develop community organizational and media outlets to be sure all eligible participants know about our programs.

Our programs are offered without discrimination to all who are eligible. We develop appropriate special programs for groups with special needs, and develop community organizational and media outlets to be sure all eligible participants know about our programs.

- **Low-income households and workable, childless, low-income adults.** The Food Stamp Program (FSP) is the largest food assistance program operated by USDA, and the primary source of nutrition assistance for low-income Americans. The FSP is an entitlement program with standardized eligibility and benefits, administered by the States through a Federal-State partnership. The Federal Government pays the full cost of benefits and about one-half of the States' administrative costs for program delivery to low-income households and workable, childless, low-income adults. Adults able to work are expected to utilize training and employment opportunities so that they may become independent from support programs.
- **Women, infants and children.** Research demonstrates a clear relationship between food, good nutrition, and the capacity of children to develop and learn. Emphasis on the health of prospective mothers is vitally important—studies have shown that inadequate consumption of nutrients and vitamins by pregnant women leads to poor birth outcomes. Because the earliest years of growth and development are the most critical, several programs focus on women, infants, and children. WIC is the principal program serving this target group, providing supplemental food packages, nutrition education, and referrals to health and social services agencies for low-income pregnant, breast-feeding and postpartum women, infants, and children up to 5 years of age. This group is also served

by food stamps, child care food programs, and school lunch and breakfast programs.

- **Native Americans, low-income elderly, and disabled.** Multiple food assistance and feeding programs serve the elderly and disabled and those living on Indian reservations. An alternative to the Food Stamp Program, the Food Distribution Program on Indian Reservations serves this population. Commodity assistance and food donation programs provide food packages and commodities for soup kitchens, food banks, and emergency feeding organizations. The Nutrition Program for the Elderly provides cash and commodities to States for distribution to local organizations that prepare and serve meals to the elderly, in congregate settings or in their homes.
- **The American public.** Nutrition education programs define a healthy diet for the general public through such efforts as development of the Food Guide Pyramid. Other promotional activities linking a healthy diet to the prevention of diet-related disease are provided to the general population, and targeted through food assistance programs to low-income groups.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (the Welfare Reform Act) dramatically changed the shape of social welfare and nutrition assistance programs. Welfare reform promotes self-sufficiency and personal responsibility, enhances State flexibility, and strengthens program integrity. Among nutrition assistance programs, the changes are greatest in the Food Stamp Program, where it will achieve substantial savings through a combination of across-the-board cuts, targeted benefit reductions, and eligibility restrictions. Reform will affect program administration and expand Electronic Benefit Transfer. USDA and the Food Stamp Program will

face numerous challenges in implementing the important changes in the new law, but we are committed to feeding 500,000 more people—about the same number of people who will lose benefits under welfare reform—through our network of food assistance efforts.

Strategies to Achieve This Objective

FSA and AMS work with FCS to provide commodity foods to schools for lunch and breakfast programs, summer feeding programs, and non-profit community feeding programs that focus on vulnerable groups: pregnant and breastfeeding women, infants, and children; low-income adults and persons with temporary disabilities who need help through difficult times; and elderly or disabled low-income Americans. To meet nutrition education objectives, FCS cooperates with ARS, CSREES, AMS, FSIS, and Center for Nutrition Policy and Promotion (CNPP).

Major Initiatives

- Monitor the impact of welfare reform initiatives on hunger to assure that people who lose Food Stamp Program and other food assistance benefits do not go hungry.
 - Implement a comprehensive food assistance and nutrition information strategy that assures children and needy families access to nutrition information and a healthful diet.
 - Fully fund the WIC Program to improve the nutritional status, birth outcomes, and health outcomes of low-income women, infants, and preschool children.
 - Improve the effectiveness and efficiency of commodity acquisition, procurement, storage, and distribution, to support food assistance programs and administer the U.S. Warehouse Act.
 - Provide job training, child care, and other support—especially in rural areas—to aid in the success of the Welfare to Work initiative.
- Expand feeding programs for children from low-income families through summer feeding and after-school activities.
 - Modernize benefit delivery systems and improve the integrity and efficiency of food assistance programs through implementation of Electronic Benefit Transfer (EBT) systems.
 - Develop a safety net to protect migrant and other transient workers from hunger and malnutrition.
 - Expand access to an affordable, nutritious food supply via support for farmer's markets.

Other Entities Involved

USDA works with a large cadre of State, Territorial, local, and Indian tribal governments to determine eligibility and effect delivery of food stamps and other food assistance, and nutrition information and education. FCS programs are closely tied to other Federal programs that provide income assistance and nutrition services to low-income populations, offered through agencies such as the Department of Health and Human Services (HHS) Administration on Aging, Maternal and Child Health Bureau, and Centers for Disease Control and Prevention (CDC).

■ 2.2 Reduce the incidence of foodborne illness and ensure that commercial food supplies are safe and wholesome

USDA places a high priority on improving the safety of America's food supply through improved inspection systems, correct labeling of food supplies, research, and education. Medical costs and productivity losses for seven specific pathogens in food have been estimated to range between \$6.5 billion and \$34.9 billion annually. Total costs for all foodborne illnesses are likely to be much higher. Foodborne diseases are particu-

larly serious for vulnerable populations, such as infants, the chronically ill, or the elderly, and they result in some 9,000 deaths a year. Recently USDA elevated food safety responsibilities to a new Subcabinet office.

USDA is committed to building a meat, poultry, and egg products inspection program that effectively utilizes the latest in science and technology. In response to outbreaks of foodborne illness in early 1993, USDA began requiring instructional cooking and handling labels on raw meat and poultry products, and initiated a nationwide *E. coli* bacteria sampling program in processing plants and retail stores that sell raw ground beef. We have moved from a 100-year-old sensory-based inspection system to a science-based system founded on the Hazard Analysis and Critical Control Point (HACCP) program of bacterium testing. USDA conducts both pre- and post-harvest research to reduce potential risks to consumers from toxicants and chemical residues that might contaminate the food supply, and supports the collection of data on the incidence of foodborne illness, in cooperation with the CDC.

Land-grant universities, with financial support from USDA, are researching food safety technology and intervention strategies to develop rapid, sensitive methods of pathogen detection. In addition, USDA supports risk assessment studies that will lead to improved methods for detection and/or control of disease-causing microorganisms.

Strategies to Achieve This Objective

FSIS administers these new food safety program responsibilities, as part of its responsibility for ensuring that commercial supplies of meat, poultry, and egg products are safe and properly labeled and packaged. GIPSA administers grading programs for livestock, and inspects grains and oilseeds. APHIS provides on-farm disease prevention, surveillance, and management services. ARS researches new food borne illness testing technologies to

reduce the time needed for testing and improve the accuracy of results, and develops new technologies for preventing the introduction of pathogens such as *E. coli* and *Salmonella* into the food supply. CSREES works with the States to develop research, education, and extension programs to inform and educate food producers, processors, and consumers about food safety and their responsibilities.

Major Initiatives

- Reduce foodborne illnesses associated with meat, poultry, and egg products by 25 percent by the year 2000, with zero tolerance in USDA food safety programs.
- Improve consumer confidence in food safety by implementing the new science-based system of preventive process control for all meat and poultry products and by reducing pathogens on raw products.
- Organize and implement a farm-to-table strategy for the safety of meat and poultry products; implement the recommendations in the May 1997 report to the President from the Departments of Agriculture and Health and Human Services and the Environmental Protection Agency on ways to improve food safety.
- Develop and improve technology to more easily detect and reduce pathogens in meat, poultry, and egg products.
- Educate food producers, processors, and consumers about their responsibilities for food safety.
- Develop new food safety technologies that help resolve trade-interrupting phytosanitary and sanitary issues with other countries.
- Protect the health of consumers through establishment of international food standards, codes of practice, and other guidelines.

- Strengthen data collection and develop systems to monitor the health and economic impacts of foodborne illnesses on society and the food system.

Other Entities Involved

Three USDA agencies—FSIS, ARS and CSREES—work with the Food and Drug Administration (FDA), the CDC, and Environmental Protection Agency (EPA) on food safety issues. These agencies work with many constituencies to identify public health risks, coordinate research, and use their collective resources in partnerships with private organizations to monitor foodborne illnesses and design strategies which reduce food safety risks.

■ 2.3 Promote gleaning and other food recovery programs

The Department plays a leading role in food recovery and gleaning activities. To the extent practicable and permitted by law, the Department seeks to increase the quantity of excess wholesome food recovered and delivered to needy Americans by enhancing current food recovery activities supported by USDA programs, creating new food recovery activities, and establishing communication links that will help broaden the understanding and convey the importance of food recovery.

Strategies to Achieve This Objective

Food recovery and gleaning are prominent in our contracts with food providers, who donate leftover food from USDA cafeterias to gleaning and food recovery operations. We encourage food recovery and gleaning with food producers, who allow fallen, unharvested, or small fruits and vegetables to be recovered by gleaning and food recovery operations. These are largely volunteer operations, one of the many volunteerism activities the Department supports.

Major Initiatives

- Expand food rescue and gleaning efforts by supporting non-profit, volunteer groups and encouraging citizens and private organizations to engage in food recovery and distribution.
- Support gleaning initiatives for foods used in USDA feeding programs and/or distributed by USDA programs.
- Research issues related to food waste and food recovery to better target our efforts.

Other Entities Involved

USDA agencies, primarily AMS and FCS, work with food rescue and gleaning organizations to provide surplus food to hungry people.

■ 2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research

Access to an affordable food supply is only one part of the health equation—consumers must also be educated about selecting a more nutritious diet. Diet-related diseases have high societal costs in terms of health care, human suffering, and lost productivity. USDA conducts research on the links between food consumption and health, providing information to enable individuals to make healthful food choices.

Strategies to Achieve This Objective

FCS and CNPP conduct nutrition research and work with HHS to provide nutrition education, incorporating the results of this research into the Dietary Guidelines for Americans. ARS and CSREES conduct fundamental and applied research in human nutrition, food consumption, and food composition.

Major Initiatives

- Produce and disseminate up-to-date science-based guidance for a healthful diet, including revision and production of the USDA-HHS Food Guide Pyramid that serves the general population as the basis for making healthful food choices.
- Conduct critical research on food consumption patterns and the impacts of good nutrition on health and children's capacity to learn, and the role of diet and nutrition in maintaining health and lowering the risk of disease in various population groups.
- Increase research on the impact of nutrition on children's ability to learn, and assist the nutritional expertise of school food service personnel to improve the nutritional quality of school meals through the Healthy School Meals and Incentive for Healthy Children initiatives.
- Increase nutrition education marketing and the number of resource materials available through nutrition education partnerships, developing and distributing nutrition education materials to teachers, children, families, and the community.
- Expand nutrition education for women, infants and young children, and other especially high-risk populations.
- Improve the nutritional quality of the food supply through development and production of more nutritious food products.
- Increase data on the diets of small children in order to more accurately assess the impacts of food safety risks, such as pesticide exposure.

Other Entities Involved

USDA and EPA share responsibility with FDA and CDC for collecting and disseminating data on the role of nutrition and the health status of Americans, tracking the occurrences and outbreaks of disease

and determining health tolerance levels of pollutants. USDA plays a primary role in nutrition education, working with HHS to develop dietary guidelines and the Food Guide Pyramid.

■ 2.5 Enhance world food security and assist in the reduction of world hunger

American food exports have played a major role in improving world food security and reducing the numbers of chronically undernourished and malnourished people in developing foreign countries over the past four decades. Nevertheless, a large share of the world's population continues to experience hunger on a daily basis.

The continuing problem of global food insecurity was addressed at the World Food Summit in Rome, Italy, in November 1996, where a goal was set to reduce by half the number of the world's undernourished population by the year 2015. USDA contributes to this goal by helping developing countries meet their food import needs and improve long-term food security through foreign food aid, technical assistance, research, and economic development activities. Liberalized world trade and efforts to ensure that the benefits of trade liberalization are equitably realized also contribute to economic development and enhanced food security. Efforts to strengthen and improve the effectiveness of these activities will be among the proposals forming a U.S. Action Plan on World Food Security, which is being prepared as a follow-up to the Rome Summit.

Strategies to Achieve This Objective

FAS administers a number of foreign food assistance activities, as well as technical assistance and economic development activities. FSA also assists in implementing the food aid programs. A number of other agencies are involved in research and technical assistance, including ARS, CSREES, ERS, NRCS, and FS.

Major Initiatives

- Assist developing and impoverished countries to meet their food import needs and improve food security through continued American food aid, technical assistance, research, and economic development activities.
- Prepare and implement a U.S. Action Plan on World Food Security.

Other Entities Involved

USDA works closely with the Agency for International Development (AID) in the administration of foreign food aid programs, and chairs the interagency Food Assistance Policy Council, which establishes policy guidance for foreign food assistance. Other members of the Policy Council include AID, the Department of State, and the Office of Management and Budget. USDA also co-chairs the interagency committee coordinating American participation in and follow-up to the Rome Summit.

USDA maintains close working relationships with other international organizations dealing with international food security, including the Food and Agriculture Organization of the United Nations, the International Grains Council, the Inter-American Institute for Cooperation in Agriculture, and many private voluntary organizations and cooperatives, such as CARE and the Catholic Relief Services.

.....

Goal 3

Promote Sensible Management of Our Natural Resources

Passage of the 1996 Farm Bill marked the transformation of USDA from an agency that influences land use decisions through commodity programs to one that influences these decisions through conservation programs. Supported by provisions in the 1996 Farm Bill, conservation, envi-

ronmental, and recreation-related programs will receive significant attention during the next 5 years. USDA is committed to maintaining and improving the quality of our air, water, and environment, and protecting fragile forestland and wilderness ecosystems. In partnerships with farmers, ranchers, and private and public landowners across the country, more than half of the Department's employees assist landowners, land users, and land managers to care for the land.

■ 3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base

America's prospects for the future are bound to the health of the land. Over the past decade, American farmers and ranchers have made significant progress in reducing soil erosion, slowing the loss of wetlands, and otherwise conserving natural resources. The partnership between America's private landowners, conservation districts, and State and local conservation agencies has stabilized the American landscape, and helped increase agricultural productivity, while improving our environment.

The sustainable production of food and fiber begins with conserving the quality and productivity of the soil. Soils are a basic natural resource, and their conservation is fundamental to achieving a healthy and productive land. Well-managed cropland also helps provide clean water and air, effective wildlife habitat, and an overall healthy environment. By adopting an ecosystem management approach to conservation, USDA will work to protect the environment on private lands through collaboration and shared responsibility.

Provisions in the 1996 Farm Bill created, consolidated, expanded, and extended conservation initiatives. Programs through FY 2002 will protect



The Department's responsibility for managing natural resources is accomplished primarily through NRCS, FS, and FSA.

farmlands, preserve wetlands, improve wildlife habitat, purchase floodplain easements to provide emergency watershed protection, reduce flood risk, and conserve private grazing lands. But effective stewardship depends on having the right science-based information and technological tools, and transferring this information to landowners, land users, and land managers. Acquiring the tools and information requires a substantial investment in natural resource data, to assess status, conditions and trends which contribute to the development of sound natural resource management strategies.

Strategies to Achieve This Objective

The Department's responsibility for managing natural resources is accomplished primarily through NRCS, FS, and FSA. NRCS is the lead Federal conservation agency for private lands, providing conservation guidance through local conservation districts to individuals, communities, and State and local agencies. FS is the largest land manager in the Federal Government, with responsibility for about 192 million acres of public land in 44 States, Puerto Rico, and the Virgin Islands. FSA administers the Conservation Reserve Program with the assistance of NRCS, under which CCC safeguards about 36 million acres of environmentally sensitive land to prevent soil erosion, increase wildlife habitat, and protect ground and surface water. FSA also administers the Emergency Conservation Program, which provides emergency funds to farmers and ranchers to assist in rehabilitating farmlands damaged by natural disaster.

Many other USDA agencies collaborate to develop and transfer natural resource management technology and tools to individual landowners and communities, to sustain land productivity, and to conserve and enhance natural resources. ARS conducts basic and applied research on soil and water management and soil erosion, and develops new agricultural technologies and new farming practices

that reduce the adverse impacts of production agriculture on the environment. CSREES works with local governmental partners to advance research, extension, and education in agriculture, natural resources, and the environment. NASS provides data and ERS provides economic and other analyses on natural resource issues, including how agricultural production practices and chemical use affect environmental quality. FAS works with foreign governments and institutions to transfer sustainable agriculture and natural resource management technologies, promoting sustainable agriculture and global natural resource management.

Major Initiatives

- Maintain a balance between protecting the environment and fostering production agriculture by assisting producers and landowners with conservation planning to develop wildlife-sustaining watersheds and wetlands, reduce erosion, and improve soil quality.
- Strengthen partnerships between USDA, conservation districts, and State conservation agencies and improve the technical capacity of districts to build sustainable resource management programs by increasing State and local funding of conservation programs.
- Focus research efforts on sustainable agriculture and forestry initiatives; fully utilize data collection programs, including the Census of Agriculture, to collect cross-disciplinary farm population data and create a Natural Resource Database to provide a state-of-the-forest-and-land baseline.
- Improve the quality of rural watersheds and water quality by 25 percent by the year 2000.
- Implement the Integrated Pest Management initiative to provide producers with simple, cost-effective pest management practices that lead to adoption of effective techniques to reduce harmful effects on the environment.

- Promote conservation planning and environmentally sustainable management approaches that improve soil quality, intensify soil conservation on non-highly erodible cropland, and facilitate transitions to sustainable systems on the most highly erodible cropland.

Other Entities Involved

USDA maintains direct linkages and cooperates with a number of Federal agencies to provide conservation guidance. Many programs carried out by other agencies rely on the technical expertise unique to USDA, such as the Surface Mine Control and Reclamation Programs of the Department of the Interior, and the Chesapeake Bay Agreement, the National Estuary Program and Clean Lakes Program of the EPA. USDA has signed a Memorandum of Agreement with EPA, the U.S. Fish and Wildlife Service, and the Corps of Engineers to conduct programs to protect wetlands. USDA works with the Bureau of Land Management (BLM) and the Bureau of Indian Affairs (BIA) to carry out watershed activities, and with the National Oceanic and Atmospheric Administration and the U.S. Geological Survey to obtain precipitation and runoff data.

■ 3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness, and aquatic ecosystems

The National Forests comprise approximately 8 percent of the land area of the United States, and encompass a broad range of natural resources including water, wildlife habitat, outdoor recreation opportunity, timber, minerals, and forage for livestock. Individual resource conditions vary widely—some are in acceptable condition, some are deteriorating, and some pose immediate problems.

Adopting a sustainable management approach, USDA is working to protect

fragile ecosystems and conserve biological diversity, including native plant and animal species, on National Forest and non-Federal forest lands. Through collaboration and shared responsibility with adjacent landowners and communities, and State, local, and tribal governments, we are managing the National Forests to promote the sustainability of ecosystems, ensuring their health and productivity. By living within the limits of the land and integrating appropriate scientific information with economic and social factors, we maintain and enhance the quality of the environment in order to meet current and future needs.

Water quality and quantity are important to maintaining healthy ecosystems, and Federal forests and rangelands are important sources of water. Forest health is a growing concern as changing ecological conditions, rural and urban wilderness interfaces, and invasions of exotic pests have contributed to the deteriorating health of forested lands. USDA agencies are coordinating efforts to restore and sustain a healthy ecological balance.

Strategies to Achieve This Objective

The FS manages National Forest System lands and provides research, information, and assistance to State and private foresters to promote multiple-use, sustained-yield forestry practices for sensible management of non-Federal forest resources. CSREES is the primary link to university and other State partners in the extension of agricultural and natural resource science to rural areas. APHIS protects agricultural ecosystems against the introduction of foreign animal and plant pests. ARS provides basic and long-term research on sustainable air, soil, and water quality management.

Major Initiatives

- Protect the health and diversity of all National Forest ecosystems by letting fire play an appropriate role, protecting threatened and endangered species habitat, controlling exotic insect and



- disease threats, and giving special emphasis to fragile aquatic and riparian areas.
- Restore deteriorated ecosystems in the National Forests to meet the goals of individual forest plans; maintain and increase populations of threatened, endangered, and sensitive species, and promote healthy forest conditions.
 - Help communities upstream from public lands reduce flooding and erosion, improve water quality and quantity, and enhance fish and wildlife habitat, via structural and non-structural measures as well as planning assistance.
 - Promote conservation management and planning approaches that prevent water quality impairment, and provide coordinated assistance to watersheds in need of conservation.
 - Develop healthy and productive wildlife-sustaining watersheds and wetlands by helping producers implement cooperative, regional approaches to grazing land conservation, and by assisting landowners and communities to implement economically sound and environmentally sustainable land uses.
 - Clean up abandoned mines and other hazardous waste sites, to restore National Forest System land and water resources to a healthy and diverse condition.
 - Promote uses for public lands that provide public benefits such as clean water, recreation, and commodity outputs, within the capabilities of ecosystems.

Other Entities Involved

Statutes governing the management of National Forests vest some responsibilities in other Federal agencies, requiring coordination on the ground and at policymaking levels. USDA works with EPA on water quality issues and hazardous waste management, and with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service on threatened and

endangered species designations. Certain determinations regarding minerals management are made by BLM. Many western forests are adjacent to or intermingled with the lands of the National Park Service or BLM, and this necessitates close cooperation to achieve ecosystem management objectives over the broad landscape.

Management Initiatives

Provide Effective Customer Service and Efficient Program Delivery

An overarching principle of USDA operations is good management of our resources—human, capital, information, and other resources. The public demands that Government operate fairly, effectively, and efficiently, and as resources become more constrained, we must seek every opportunity to reengineer our service delivery capabilities, improve our data systems and processes, provide better program management information, improve communications with the public, and eliminate inefficiencies in our general operations.

■ 1. Ensure that all customers and employees are treated fairly and equitably, with dignity and respect

We value and promote the tenets and ideals of fair treatment for our customers and program beneficiaries, and equal employment opportunity for our employees and applicants. In many ways, our struggles echo our Nation's struggles. For too long USDA has been viewed as ignoring serious, pervasive civil rights problems. Although we cannot change the world, we will change our little corner of the world. Our words and actions must demonstrate our commitment to equal opportunity for all employ-



The Secretary appointed a Civil Rights Action Team to investigate a backlog of discrimination complaints, and develop a plan for reaching resolution. The Team released a Civil Rights Action Plan which we are currently implementing to eliminate the existing backlog of civil rights complaints.

ees, and equal treatment of our customers and program participants. We must embrace and value diversity, and strengthen our commitment to an equitable and discrimination-free USDA.

The Secretary appointed a Civil Rights Action Team to investigate a backlog of discrimination complaints, and develop a plan for reaching resolution. The Team released a Civil Rights Action Plan which we are currently implementing to eliminate the existing backlog of civil rights complaints. As part of that resolution, we have initiated a review of administrative and program policies and resources to focus more attention on civil rights and equal employment opportunity, and we are strengthening outreach efforts to underrepresented customers. We are reviewing our administrative appeals process to assure a fair, timely, and impartial process for appealing adverse program decisions. We are also reforming the program and Equal Employment Opportunity (EEO) complaint systems to improve timeliness and responsiveness, and developing a strategic outreach plan which will hold Agency Heads accountable, through a civil rights element in performance standards, for establishing a well-trained, diverse, multiple-skilled staff to perform civil rights functions and for implementing agency outreach plans. Our goal is to assure that USDA has the best civil rights record in the Government by year 2000.

Strategies to Achieve This Objective

All USDA agencies are committed to an effective civil rights program in USDA. The Assistant Secretary for Administration has primary responsibility.

Major Initiatives

- Eliminate existing backlog of civil rights complaints.
- Develop an organizational structure that supports an effective civil rights program, with annual civil rights training for all employees and reforms to the civil rights complaint system, to

improve timeliness, responsiveness, and the ability to resolve underlying problems.

- Demonstrate the Department's commitment to serving the needs of minority and limited-resource customers by providing outreach and targeting funds to increase their participation in USDA programs.
- Improve management commitment to and accountability for civil rights in USDA, promoting equity for employees and customers and ensuring workforce diversity and fair treatment in program delivery.
- Establish an Office of Outreach to coordinate Departmentwide efforts to ensure that we reach all who need or can benefit from USDA programs and services.
- Establish a Departmentwide workforce planning and recruitment effort to improve workforce diversity.

Entities Involved

The Equal Employment Opportunity Commission (EEOC) provides oversight and coordination of all Federal EEO regulations, practices and policies. The EEOC also decides all appeals from Federal agency findings on EEO complaints and decisions. The Department of Justice defends the United States Government in Federal Court in cases brought by employees under Federal EEO law.

■ 2. Improve customer service by streamlining and restructuring county offices

USDA agencies are striving to improve their service to customers, reducing red tape and paperwork reporting burdens, and implementing regulatory reform initiatives. Following Vice President Gore's reinvention initiative, the Department has undertaken a number of significant initiatives to improve customer service. One

major effort is the Administrative Convergence initiative, which will consolidate the administrative functions of FSA, RD, and NRCS at each organizational level. Another initiative is co-location of field offices in Service Centers. Co-location will enable these agencies to simplify and standardize administrative systems and procedures, make better use of technology, and simplify procedures for farm and rural residents.

Reorganization and streamlining of the Department has eliminated more than 13,700 staff years since 1993, reduced the total number of agencies from 43 to 31, and closed more than 1,300 county-based field offices since December 1994. By the year 2002, Department plans project a total reduction of 16,400 staff years and estimate savings of \$8 billion from consolidating 3,700 field offices into 2,550 Service Centers. We are aware of the impacts—perceived and real—on our customers, and we are committed to making customer service a top priority and central focus of our efforts. We support the traditional structure of agriculture in America, and we are committed to serving small and medium-size agricultural producers in spite of our reduced numbers. We are working on improvements in field office outreach to minority, female, and limited-resource producers, assuring adherence to civil rights and fair treatment to all, and we are committed to service improvements to help producers survive the changes in agriculture which will come in future years.

An important facilitator of field office restructuring is the Dedicated Loan Origination and Servicing (DLOS) system developed by RHS to improve the service delivery of loans for single-family housing. DLOS allows automation of many functions previously performed in field offices and centralization of those functions in St. Louis, Missouri. In addition to the “one-stop service” benefits achieved from field office consolidations, implementation of the DLOS system is

expected to generate savings by reducing the number of borrower defaults.

Strategies to Achieve This Objective

FSA, RD, NRCS, Departmental Administration, and Office of the Chief Information Officer are working together with Conservation District Partners to accomplish this goal.

Major Initiatives

- Complete co-location of field offices by July 1, 1998.
- Reengineer processes to improve service at Service Centers, particularly reducing the paperwork burden on farmers.
- Consolidate the administrative functions of FSA, RD, and NRCS, at headquarters and in Service Centers, to reduce duplication of effort and provide a single administrative support structure for these agencies at all levels.

■ 3. Create a unified system of information technology management

Providing information and productivity-enhancing technological tools to support the diverse and complex set of farm, food, conservation, rural development, forestry, and research programs USDA operates is a major challenge. A rapidly changing operating environment demands constant attention to meeting business information needs. USDA is dedicated to improving information technology management, including implementation of a Departmentwide information architecture to ensure that business objectives drive investments, and establishing the mechanisms to ensure that those investments are properly managed.

Although we have made significant progress in improving our information systems and management, we do not have the degree of interconnectivity we need to make major improvements in our

management of information. We continue to receive unacceptable opinions on our audited financial statements, due in part to inaccurate financial information from our systems. We know that the efficiency of some of our processes will improve when our systems are modernized, and we have begun several process and system modernization projects, such as the Modernization of Administrative Processes (MAP) project, and the Financial Information System Vision and Strategy (FISVIS) project.

In response to the new requirements of the Information Technology Management Reform Act (the Clinger-Cohen Act), as well as today's environment of constrained budgets and demands for more efficient customer service, USDA has set a new course for improved management of information technology. We are completing an information technology plan to assure that USDA agencies are fully capable of communicating with each other, and to reduce spending on information technology by 10 percent. We are focusing on strengthening the process for review, approval, and coordination of significant investments, improved project management, and review of existing capability to eliminate unnecessary overlap and duplication.

Strategies to Achieve This Objective

All USDA agencies are involved in improving information technology management. The Chief Information Officer has primary responsibility for the oversight and management of the Department's information technology resources.

Major Initiatives

- Implement a Departmentwide Information Technology Architecture, including technical standards, to ensure that agency information systems are compatible, investments in information technology support and enhance business needs, and information technology investments are prop-

erly managed and linked to the USDA budget process.

- Identify the needs of business partners at the State and local level for technical support, and improve Federal decision making regarding the selection and deployment of information technology to meet those needs.
- Identify opportunities to use information technology to streamline program and administrative activities.
- Implement a professional development strategy to ensure that USDA staff have the necessary skills to effectively manage information technology.
- Improve telecommunications within USDA and reduce telecommunications spending by 10 percent over the next 5 years.

■ 4. Improve financial management and reporting

USDA has made significant progress toward improved financial management, but much work remains to be done. Two primary goals are implementation of a single, integrated financial information system, and financial statements that warrant an unqualified audit opinion.

In 1993, USDA initiated the Financial Information System Vision and Strategy (FISVIS) project, to completely reconstruct the Department's financial systems and related processes. The FISVIS project has established Departmentwide accounting standards and standard definitions for accounting terms, and will provide timely, reliable financial information for preparing financial statements, resolving many of the problems causing unacceptable audit opinions. Development of cost accounting standards, modernized methods of payment and collection, improved management of assets and receivables, and improved processes for administering grants and agreements with

non-Federal organizations—all projects currently underway—will improve stewardship of USDA resources and strengthen management accountability.

Strategies to Achieve This Objective

All USDA agencies are involved in financial management improvements. The CFO has primary responsibility for financial management review, guidance, and oversight in USDA.

Major Initiatives

- Implement a single, integrated Departmentwide financial information system.
- Establish and implement USDA cost accounting standards.
- Strengthen USDA's management accountability and control processes, in conformance with the Federal Managers Financial Integrity Act (FMFIA).
- Achieve an unqualified audit opinion on the Department's financial statements.
- Implement the requirements of the Cash Management Improvement Act and the Debt Collection Improvement Act to safeguard assets and improve the processes for payment and collection of debts.
- Streamline Departmental processes for administering grants and agreements with non-Federal entities.

External Factors

Agency plans detail multiple and diverse external factors impacting on their ability to achieve the Secretary's goals and objectives with their planned strategies and initiatives, including Congressional action, budget constraints, weather, and other factors.

Program Evaluations

Agency plans detail the various ways in which programs will be evaluated. Current data systems are not fully capable of producing necessary performance evaluation data, however, systems currently planned or being implemented, such as the Foundation Financial Information System, when completed, will provide significant performance measurement data.

Conclusion

USDA truly is a multi-focused, multi-dimensional organization of component agencies working together to "enhance the quality of life for the American people by supporting production agriculture; ensuring a safe, accessible, and affordable food supply; caring for agricultural, forest, and range lands; supporting sound development of rural communities; providing economic opportunities for farm and rural residents; expanding global markets for agricultural and forest products and services, and working to reduce hunger in America and throughout the world."

APPENDICES follow:

1. **Mission Area and Agency Acronyms**
2. **USDA Profile**
3. **USDA Operating Environment, 1997-2002**
4. **Linkage of USDA Goals/Subgoals to Agency Goals**

Appendix 1 Mission Area and Agency Acronyms

AARC	Alternative Agricultural Research and Commercialization Corporation
AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
CNPP	Center for Nutrition Policy and Promotion
CSREES	Cooperative State Research, Education, and Extension Service
DA	Departmental Administration
ERS	Economic Research Service
FAS	Foreign Agricultural Service
FCS	Food and Consumer Service
FFAS	Farm and Foreign Agricultural Services
FNCS	Food, Nutrition, and Consumer Services
FS	Forest Service
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
GIPSA	Grain Inspection, Packers and Stockyards Administration
MRP	Marketing and Regulatory Programs
NAD	National Appeals Division
NASS	National Agricultural Statistics Service
NRCS	Natural Resources Conservation Service
NRE	Natural Resources and Environment
OBPA	Office of Budget and Program Analysis
OC	Office of Communications
OCE	Office of the Chief Economist
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OGC	Office of the General Counsel
OIG	Office of Inspector General
RBS	Rural Business-Cooperative Service
RD	Rural Development
REE	Research, Education, and Economics
RHS	Rural Housing Service
RMA	Risk Management Agency
RUS	Rural Utilities Service

Appendix 2 USDA Profile

USDA is organized by mission areas, agencies, and departmental offices. Each mission area includes one or more agencies and is focused on a specific portion of the USDA program mission. Departmental offices support and assist program activities. USDA agencies cooperate closely to achieve Department goals, each agency fulfilling its portion of the Department's responsibilities.

The strategic plans of each agency provide more detailed information on the mission, goals, and performance measures of each organization.

Farm and Foreign Agricultural Services (FFAS) mission area

—secures the long-term vitality and global competitiveness of American agriculture. The FFAS mission is accomplished through administering agricultural commodity programs and the Conservation Reserve Program, and by helping farm communities deal with fluctuations of the marketplace and natural disasters. FFAS promotes economic opportunity for American farmers by developing new export markets, implementing initiatives to combat unfair competition, and providing food assistance to food-deficit countries. Three agencies make up the FFAS mission area: the Farm Service Agency, the Foreign Agricultural Service, and the Risk Management Agency.

■ **Farm Service Agency (FSA)** ensures the well-being of American agriculture and the American public through efficient and equitable administration of agricultural commodity and farm loan programs, conservation, environmental, and emergency assistance programs, domestic and international food assistance, and international export credit programs. FSA administers farm loan assistance programs through direct and guaranteed loans that offer farm ownership, operating, and emergency loans to eligible farmers who are temporarily unable to obtain private, commercial credit; and provides conservation and disaster assistance.

FSA coordinates environmental and conservation efforts, particularly the Conservation Reserve Program, with NRCS, CSREES, FS, ERS, the U.S. Fish and Wildlife Service, and the Environmental Protection Agency.

■ **Foreign Agricultural Service (FAS)** opens, expands, and maintains global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises. The primary goal of FAS is to increase the value of American farm, food, fish, and forestry exports, and to represent the diverse interests of the food and agricultural sector abroad. FAS monitors and assesses global food aid needs and promotes international agricultural trade policies that provide market access for American agricultural commodities. APHIS, ARS, and FSIS work with FAS to ensure the health and safety of our food export products and protect our export opportunities against unjustified trade barriers.

■ **Risk Management Agency (RMA)** provides each agricultural producer the opportunity to achieve financial stability through effective risk management tools. The primary goal of RMA is to foster, at reasonable cost, an environment of financial stability, safety and confidence, enabling the American agricultural producer to manage the perils associated with nature and markets. A key component of the delivery structure is the private sector crop insurance industry, which provides servicing for RMA insurance products. Additionally, RMA provides educational opportunities to help produc-

ers effectively manage risk by choosing appropriate risk management tools. RMA works with Farm Service Agency and the Commodity Futures Trading Commission, to provide an effective safety net.

Food, Nutrition, and Consumer Services (FNCS) mission area

—administers food assistance programs to alleviate food insecurity and promote healthy diets for children and low-income adults; coordinates nutrition policy, and provides nutrition education for all Americans. FNCS administers the Nation's food and nutrition programs through two agencies which comprise the FNCS mission area: the Food and Consumer Service and the Center for Nutrition Policy and Promotion.

■ **Food and Consumer Service (FCS)** provides children and needy families better access to food and a more healthful diet through its food assistance programs and comprehensive nutrition education efforts. FCS food assistance programs account for over one-half of the USDA budget. FCS administers the Food Stamp Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the National School Lunch Program, and the School Breakfast Program. Through Commodity Assistance Programs, FCS provides food commodities for soup kitchens, food banks, and emergency feeding organizations. FCS also provides food packages to targeted needy groups such as Native Americans living on reservations, and low-income elderly persons.

FCS works with AMS and FSA to provide commodities, and with ARS to monitor food and nutrient consumption. CSREES assists the FCS mission by providing nutrition education through Extension Service programs, to improve the food choices of American families.

■ **Center for Nutrition Policy and Promotion (CNPP)** improves the nutritional status of Americans by serving as the focal point within the Department for linking scientific research to the consumer. CNPP coordinates nutrition policy in USDA and provides overall leadership in nutrition education for consumers. The Center coordinates with the Department of Health and Human Services in the review, revision, and dissemination of the "Dietary Guidelines for Americans." CNPP works closely with USDA agencies to coordinate activities relating to human nutrition.

Food Safety mission area

—ensures that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Food safety programs are carried out through the Food Safety and Inspection Service.

■ **Food Safety and Inspection Service (FSIS)** regulates meat and poultry products moving in interstate and foreign commerce, inspecting animals and birds at slaughter and processed products at various stages of the production process. FSIS is also responsible for informing the public about food safety issues.

FSIS works with ERS, ARS, and CSREES to coordinate research of food safety issues, and with APHIS on instances and patterns of animal diseases. FSIS works with the CDC, EPA, and the Food and Drug Administration to promote adoption of food

safety programs and to manage and carry out food safety activities, and with FCS to disseminate food safety information. FAS supports FSIS in food safety discussions in the food export market.

Marketing and Regulatory Programs (MRP) mission area

—facilitates the domestic and international marketing of American agricultural products and ensures the health and care of animals and plants, while improving market competitiveness and the economy for the overall benefit of both consumers and American agriculture. MRP agencies are active and influential participants in international and national standards-setting, through international organizations and Federal-State cooperation. Three agencies operate under the MRP mission area: the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration.

■ **Agricultural Marketing Service (AMS)** facilitates the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace, to the benefit of producers, traders, and consumers of American food and fiber products. AMS focuses agency services to improve the marketing of American agricultural products in international markets and develop new marketing services to increase customer satisfaction. AMS works closely with FAS in international marketing, with FSA in the strategic marketing of agricultural products, and with FCS, NASS, and CSREES with outreach and education and to enhance services to their customers.

■ **Animal and Plant Health Inspection Service (APHIS)** leads the way in anticipating and responding to issues involving animal and plant health, conflicts with wildlife, environmental stewardship, and animal well-being. APHIS protects American agriculture from agricultural pests and diseases, while ensuring fair access to foreign markets for American agricultural products. APHIS works closely with the FFAS mission area to maintain or expand access to foreign markets, with FSIS on food safety issues, with NRE agencies on environmental issues, and with ARS on the application of science and technology to the full range of agency services.

■ **Grain Inspection, Packers and Stockyards Administration (GIPSA)** facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA ensures open and competitive markets for livestock, poultry, and meat by investigating and monitoring industry trade practices. GIPSA also provides Federal grading standards and a national inspection and weighing system for grain and oilseeds. GIPSA works closely with APHIS, FAS, and ARS to facilitate international marketing, with OIG on investigative matters, and with AMS to obtain feedback from customers.

Natural Resources and Environment (NRE) mission area

—provides national leadership to help people conserve, improve, and sustain our natural resources and environment. NRE is comprised of the Forest Service and the National

Resources Conservation Service, which share responsibility for fostering sound stewardship of public and private lands. FS and NRCS collaborate to provide assistance to owners of non-industrial private forests, wetlands, wilderness areas, and rangelands.

■ **Forest Service (FS)** cares for the land and serves people—to achieve high-quality land management under the multiple-use, sustained yield concept, to meet the diverse needs of people. FS provides leadership in the management, protection, and use of the Nation's publicly owned forests and rangelands for sustained yields of renewable resources. Sustainable benefits are achieved through science-based management of ecosystems, including restoration of deteriorated ecosystems and protection of healthy ecosystems, to provide a sustainable level of public goods and services such as recreation, forage, timber, and community assistance.

■ **Natural Resources Conservation Service (NRCS)** provides national leadership in a partnership effort to help people conserve, improve, and sustain our natural resources and environment. NRCS works with American farmers, ranchers, other landowners, and communities to conserve, improve and sustain natural resources on private land. NRCS assists farmers and ranchers to meet the increasingly complex challenge of protecting soil, water, and related resources while sustaining the profitable production of food and fiber. Privately owned land (excluding forest land) comprises nearly one-half of the Nation's land in the lower 48 States.

FS and NRCS work closely with many agencies within and outside of USDA to support conservation programs and to provide science-based soil and natural resource information. FSA assists with funding for conservation programs which require stewardship of soil, water, air, and wildlife resources on America's farmland and ranches. REE provides analysis and assessments of natural resource use to protect and maintain healthy and diverse ecosystems, and cooperates in research, education, and program delivery. RD works with FS and NRCS to provide assistance to rural communities to build sustainable resource management programs, influencing the economic development of rural communities and contributing to the safety net created by the Farm Bill. Internationally, FS and NRCS work with FAS to support natural resource conservation worldwide.

Research, Education, and Economics (REE) mission area

— is dedicated to the creation of a safe, sustainable, competitive U.S. food and fiber system and strong, healthy communities, families, and youth through integrated research, analysis, and education. Through the Agricultural Research Service; the Cooperative State Research, Education, and Extension Service; the Economic Research Service; and the National Agricultural Statistics Service, REE provides research, analysis, and information to benefit consumers and promote agricultural prosperity and sustainable agricultural practices in harmony with the environment.

■ **Agricultural Research Service (ARS)** conducts research to develop and transfer solutions to agricultural problems, to ensure high-quality, safe food, to sustain a competitive agricultural economy, to maintain a healthy environment, and to enhance the natural resource base. ARS is the principal in-house research agency of USDA, performing basic, applied, and developmental research, developing agricultural products and techniques through long-term, high-risk research. ARS research is associated with higher crop yields, improved breeding and biotechnology techniques, development of

new products, and environmentally sensitive farming techniques. ARS works closely with USDA agencies to develop research agendas and to provide a scientific base for program operations.

■ **Cooperative State Research, Education, and Extension Service (CSREES)** benefits people, communities, and the Nation through work with its partners and customers to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences. CSREES is the primary Federal link to university and other partners in cooperative programming in the food and agricultural sciences, and in the extension of food and agricultural science services to rural areas. CSREES works closely with State and local partners to carry out USDA's educational and outreach objectives.

■ **Economic Research Service (ERS)** provides economic and other social science information and analysis for public and private decisions on agriculture, food, natural resources, and rural development. ERS works in cooperation with other agencies on research initiatives such as the Pathogen Reduction Initiative; Nutrition Education; the Conservation Reserve Program; Wetland Reserve and Environmental Quality Incentives Programs; Integrated Pest Management; the Fund for Rural America; water quality programs; and rural community enhancement programs.

■ **National Agricultural Statistics Service (NASS)** serves the United States, its agriculture and its rural communities by providing meaningful, accurate, and objective statistical information and services. NASS provides the official USDA production, economic, and environmental estimates. NASS works with USDA agencies on projects and programs such as Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Regulation; the Pesticide Data Program; livestock management studies; farm loan subsidy estimates; and satellite imagery.

Rural Development (RD) mission area

—provides financial and technical assistance to rural America to improve their quality of life and to help individuals and businesses compete in the global marketplace. Rural Development administers a variety of loan, loan guarantee, and grant programs, supplementing private credit-granting entities through three agencies: Rural Housing Service, Rural Business-Cooperative Service, and Rural Utilities Service. These agencies provide rural housing and rural community facility loan and grant programs; business and cooperative development programs; telephone, electric, water, and sewer programs; and technical assistance for housing and community facilities projects. RD agencies provide technical assistance in the areas of business and industry; cooperative development; cooperative research and education; water and waste disposal; electric power; and telecommunications, including distance-learning and telemedicine. RD works with FSA and RMA to increase the availability and accessibility of credit in rural areas, and with FS, NRCS, ARS, ERS, CSREES, and AMS to improve the rural environment.

■ **Rural Business-Cooperative Service (RBS)** enhances the quality of life for all rural Americans by providing leadership in building competitive businesses and cooperatives that can prosper in the global marketplace. RBS programs invest financial

resources and technical assistance in businesses, cooperatives, and communities, building partnerships that leverage public and private resources to stimulate rural economic activity by meeting business credit needs in underserved areas. Major RBS programs include commercial lending, revolving loan funds, cooperative development, technical assistance, empowerment programs, and cooperative research and education services.

■ **Rural Housing Service (RHS)** improves the quality of life in rural America by helping to build competitive, vibrant rural communities through community facilities and housing programs. RHS administers programs providing affordable housing and essential community facilities, technical assistance, and outreach to rural residents and communities unable to obtain credit from commercial sources at reasonable rates and terms. RHS provides financial and management assistance to rural residents and communities and loans and grants to public or private nonprofit organizations to purchase sites for the development of housing, or to repair and rehabilitate housing for low-income families, and administers programs to provide loans, grants, and technical assistance to rural communities to assist the development of fire protection services, health clinics, libraries, and other community facilities in rural areas.

■ **Rural Utilities Service (RUS)** serves a leading role in improving the quality of life in rural America by administering electrification, telecommunications, and water and wastewater disposal programs in a service-oriented, forward-looking and financially responsible manner. RUS administers nationwide programs providing loans, grants, and technical assistance to develop modern, affordable technological infrastructures and essential service facilities in rural areas.

Alternative Agricultural Research and Commercialization (AARC) Corporation

—expands interest, encourages creativity, provides information, and supports commercialization in venture start-ups and small companies through modest, early-stage direct investment. AARC serves as a bridge between technology and commercialization, providing information and investment capital to establish profitable, renewable resource-based products and companies. AARC funds support the commercialization of new industrial and consumer products and uses for agricultural and forestry materials and animal by-products which expand the use of farm and forestry materials and agri-industrial products. Preference is given to projects that provide employment in rural communities and are environmentally friendly.

Departmental Administration (DA)

— contributes to accomplishing USDA's mission through leadership and services in administrative management. DA provides oversight for crosscutting administrative services operating in each of USDA's seven mission areas, and centralized servicing of procurement, personnel, property, and civil rights activities. DA also provides goods and services directly through USDA central services programs, such as mail, facilities management, and health and safety, and services in the areas of emergency preparedness, contract and program appeals, administrative adjudication, internal energy conservation, recycling, and hazardous and other waste management.

Departmental Offices

Department-level Offices provide centralized leadership, coordination, and support for the policy and administrative functions of the Department, helping program agencies to deliver services to all USDA customers and stakeholders.

■ **National Appeals Division (NAD)** conducts impartial evidentiary administrative appeal hearings of adverse program decisions made by officers, employees, or committees of designated agencies of USDA and conducts reviews of determinations issued by NAD hearing officers when requested by a party to the appeal. Operating as an independent agency, NAD is responsible for all administrative appeals arising from program activities or decisions of FSA, RMA, NRCS, and the RD mission area, as assigned by the Secretary.

■ **Office of Budget and Program Analysis (OBPA)** provides centralized coordination and direction for the Department's budget, legislative, and regulatory functions, and provides analysis and evaluation to support the implementation of critical policies. OBPA administers the Department's budgetary functions, including development and presentation of budget-related matters to the committees of the Congress, the news media, and the public. OBPA reviews program and legislative proposals for program- and budget-related implications, analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid Departmental policy officials and agency program managers in the decision-making process.

■ **Office of Communications (OC)** provides leadership, coordination, expertise, and counsel for the development of consistent and timely communications strategies, products, and services that describe USDA initiatives, programs, and functions, so that the widest scope of Americans have information that is helpful in their everyday lives. OC is the central source of public information. The office responds to mission area and agency communications needs by providing centralized information services using the latest, most effective and efficient technology and standards for graphic design, photography, video and audio tape production, teleconferencing, printing, and other communications products and services.

■ **Office of the Chief Economist (OCE)** advises the Secretary on the economic situation in agricultural markets and the economic implications of policies and programs affecting American agriculture and rural communities. OCE serves as the focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analyses related to domestic and international food and agriculture, and advises the Secretary on the economic consequences of alternative policy, program, and legislative proposals. Through the World Agricultural Outlook Board OCE coordinates agricultural data used to develop USDA situation and outlook information. The Office of Risk Assessment and Cost-Benefit Analysis promotes effective and efficient regulation of hazards to human health, safety, and the environment.

■ **Office of the Chief Financial Officer (OCFO)** provides financial management leadership and service to support quality program delivery, through partnerships with program agencies and departmental offices. OCFO provides effective financial management policies and internal controls; financial systems to produce useful, reliable, and timely finan-

cial and related programmatic information; financial analysis and performance reports; and integration of budget execution and finance functions. OCFO supports financial management initiatives of concern to program agencies, including program integrity, management accountability and Federal Managers' Financial Integrity Act reporting, preparation of consolidated financial statements, and implementation of GPRA.

■ **Office of the Chief Information Officer (OCIO)** strategically acquires and uses information technology resources to improve the quality, timeliness, and cost effectiveness of USDA service delivery to its customers. OCIO provides policy guidance, leadership, coordination, and direction to the Department's information management and information technology investment activities. This includes long-range planning, investment guidance, coordination of inter-agency information resource management projects, and implementing standards to promote information exchange and technical interoperability. OCIO also provides Departmentwide telecommunications and data center management.

■ **Office of the General Counsel (OGC)** determines legal policy and directs the performance of all legal work conducted by the Department. Legal services are centralized within OGC, and the General Counsel reports directly to the Secretary. The wide diversity of programs within USDA generates demand for a broad range of legal services which are provided by the Office of the General Counsel. As part of those services, OGC provides legal advice to the officials of the Department; reviews regulations, correspondence, contracts, agreements, and other documents; and participates in the prosecution or defense of litigation involving agencies or officials of the Department.

■ **Office of Inspector General (OIG)** conducts audits, investigations, and evaluations of USDA programs and operations to effect positive changes. OIG responds to issues most critical to USDA operations, preventing fraud and abuse by providing quality audit and investigative services, strengthening management and financial controls in USDA, and enhancing the economy and efficiency of the audit and investigative processes through the use of innovative techniques.

Appendix 3 **USDA Operating Environment, 1997-2002**

Predicting the operating environment of the future is a difficult task. To assist this effort, agency staff talked to customers, employees, and other Federal officials and stakeholders with whom they cooperate and partner, carefully reviewed present and anticipated responsibilities and legislation, and assessed the events or activities that could affect future operations. The following is a summary of major issues currently confronting USDA agencies, and basic assumptions about operations over the next 5 years. These and other expected impacts are described more fully in the mission area and agency strategic plans which follow.

■ **Legislation**

The 1996 Farm Bill set the direction for USDA programs into the 21st century, laying the framework for greater emphasis on conservation, phasing out farm subsidy payments tied to production levels, and establishing a “safety net” for farmers through risk management initiatives. Enactment of the 1996 Farm Bill provided the incentive for USDA to examine its services and the internal organizations which deliver those services, resulting in a partnership between FSA, RD, and NRCS to modernize information technologies and co-locate in field Service Centers to provide fully integrated program delivery to USDA customers.

In concert with the 1996 Farm Bill, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform) and other recently enacted legislation, such as the Chief Financial Officers (CFO) Act of 1990, the Government Performance and Results Act of 1993 (GPRA), and the Information Technology Management Reform Act of 1996 (the Clinger-Cohen Act), are affecting the programs and services we provide and the way in which they are delivered and accounted for. Changes to food assistance programs, principally the Food Stamp Program, brought about by Welfare Reform will continue to affect the Federal-State-local partnership for many years. The CFO Act laid the groundwork for improvements in financial management and financial information, to increase accountability and to provide better information to managers. GPRA requires program agencies and administrative offices to produce 5-year strategic plans to guide their operations, and to set goals, objectives, and performance measurement criteria by which their progress toward meeting those goals can be evaluated. The Clinger-Cohen Act establishes a Chief Information Officer and calls for improvements in management information technology, including implementation of an integrated information technology architecture to produce sound management information for decision-making.

We recognize that changing demands over time will change farm policy, and that as some of the 1996 Farm Bill provisions end in the year 2002, a new Farm Bill may be passed to take its place. Statutory and legislative modification is unpredictable for the long term, and this plan cannot prepare for reconstructions of agricultural policy over time. Our goal is to remain flexible, to be able to respond to new legislation quickly and efficiently.

■ **Agricultural Production/Trade**

A variety of technological, economic, and social forces combined in recent decades to reshape the structure of American agriculture and raise farm output. The number of farms is declining, and the trend in many sectors of the agricultural economy is

toward concentration into fewer and larger production and processing units, and vertical integration of production and processing (either by direct ownership or by contract). At the same time, small farms producing specialty crops are springing up within the rural-urban interface. These and other developments in the agricultural economy are forcing USDA to redefine its role. The 1996 Farm Bill mandates a Commission on 21st Century Production Agriculture to identify the appropriate relationship of the Federal Government to production agriculture, and we eagerly await the convening of this forum and their guidance.

Global population increases, demographic changes, and economic growth will substantially increase the demand for agricultural products. Simultaneously, increased agricultural production and efficiency in other countries will require that American agriculture and agroforestry become more competitive. The growing importance of global trade to agriculture will require that USDA become even more actively involved in developing new foreign markets, and in bringing down artificial trade barriers. The development of new rules through GATT (General Agreement on Tariffs and Trade), NAFTA (North American Free Trade Agreement), and other trade agreements will help open access to foreign markets.

■ Sustainable Development/Conservation

As populations increase and research and technology continue to change agriculture and the management of natural resources, relationships among people, the economy, and the land grow increasingly vital. USDA is committed to meeting the needs of the current generation without compromising the ability of future generations to meet their needs. We support the vision of the President's Council on Sustainable Development of "a life-sustaining Earth," through achievement of a peaceful and equitable existence between a growing economy which provides opportunity for satisfying livelihoods for current generations and protection of the environment for future generations.

Management of cropland, rangeland, and forests on public and private lands is key to sustainable development. The challenge is to ensure that the needs of the agricultural community are balanced by the needs of consumers and the environment. Prevention of negative environmental consequences such as erosion, salinization, over-fertilization, and impaired water quality is essential to human health and well-being.

USDA is partnering with other Federal agencies and local communities to achieve the links and create the balances that are necessary for sustainable development. We are reaching out to assist landowners and policy makers through new partnerships, to resolve concerns that affect farmers and ranchers as well as urban and suburban landowners.

Americans expect Government to anticipate and actively address problems of broad public interest, such as environmental quality and conservation, and to make choices in the public interest. People and private institutions are being asked to make choices in the public interest, such as adopting environmentally sensitive production practices. Decision makers must understand the impacts their decisions will have on their business and on society. Our responsibility is to assist the making of informed choices by producing sound, science-based research and information.

■ Information Technology

USDA understands that information is a strategic asset. Customers and constituents are taking advantage of the rapid changes in information technology that provide greater access to information. Small farmers and large agricultural enterprises alike are mak-

ing investments in information technology to keep abreast of USDA research and program changes. "Precision farming" is a term becoming increasingly familiar as more farmers rely upon electronic technology to access the latest information on research, weather, markets, program development, improvements in seed, production techniques or equipment, or technical assistance from county offices. The Department supports the President's National Information Infrastructure Initiative, providing investment funds in excess of \$100 million annually to help rural communities bring modern telecommunications technology to rural Americans.

This increasing demand creates concomitant requirements for USDA to furnish many kinds of information quickly, to be sure the information we provide is current and reliable, and that access to new information is provided equally to all. USDA is undertaking a concerted effort to implement a single information technology architecture, and to ensure that our use of technology reflects the business needs of our agencies and our customers. USDA supports the formation of partnerships between agencies and industry to better manage information technology resources in a time of constrained budgets, to provide more efficient service, and to improve the way we conduct business.

■ The Economy

USDA services will continue to be required by all segments of society. We are maintaining the Food Stamp Program, the Supplemental Food Program for Women, Infants and Children (WIC), the National School Lunch Program, and other food and gleaning programs. We are reviewing lending practices and safety net programs to assure fair treatment and equal access to all farmers, and to protect the economic base of our farms and rural communities. We are currently conducting a pilot revenue insurance program under which producers of wheat, feed grains, soybeans, or other crops may elect to receive insurance against loss of revenue stemming from either low prices or poor harvest. We are developing a safety net strategy to mitigate the risks posed by floods, droughts, fires, and other natural disasters that threaten the economic stability of American agriculture, and we are developing a program of education for the agricultural community on other risk management strategies and income protection programs.

We recognize the continuing effects on rural communities of the movement away from a commodities-based to a service-based economy, and we are focusing efforts to address this issue. We are seeking new partnerships with State and local governments and the private sector to meet the needs of rural communities, which do not easily draw investment through the marketplace.

■ Budget Reductions/Downsizing

The President's commitment to a balanced budget by 2002 will continue to affect the resources available to USDA and all Federal agencies. USDA has streamlined and downsized the workforce by more than 13,700 people since FY 1993. Over the next 5 years we anticipate additional reductions in personnel.

We are reinventing operations to improve effectiveness and efficiency by establishing partnerships with other Federal entities, State and local governments, and the private sector; by eliminating programs, introducing regulatory reform, and developing an increasingly entrepreneurial Government that relies on privatization of services and franchising of administrative activities.



Appendix 4..... Linkage of USDA Goals/Subgoals to Agency Goals

This appendix demonstrates the relationship between USDA-wide goals and subgoals and the goals in individual agency plans. Details can be found in the agency plans that follow. Departmental Administration and Departmental offices' goals support all goals of the Department but are not included in this appendix.

USDA Goals/Subgoals

GOAL 1
Expand economic and trade opportunities for agricultural producers and other rural residents

1.1
Enhance the economic safety net for farmers and ranchers.

1.2
Open, expand, and maintain global market opportunities for agricultural producers.

1.3
Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.

Linkage of USDA Goals/Subgoals to Agency Goals

Agency Goals, by Mission Area

Farm and Foreign Agricultural Services Mission Area

Farm Service Agency

Goal 1 Farm Programs - Provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonable priced supply of food and fiber.



Goal 2 Conservation and Environment - Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, and wildlife resources on America's farmland and ranches while protecting the human and natural environment.



Goal 3 Farm Loans - Assist eligible individuals and families in becoming successful farmers and ranchers.



Goal 4 Commodity Operations - Improve the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs, and administer the U.S. Warehouse Act (USWA).



Foreign Agricultural Service

Goal 1 Expand export opportunities for U.S. agricultural, fish, and forest products.



Goal 2 Promote world food security.

Continued

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
					■	■
■	■		■	■		
	■			■		

Linkage of USDA Goals/Subgoals to Agency Goals

Agency Goals, by Mission Area

USDA Goals/Subgoals

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents		
1.1 Enhance the economic safety net for farmers and ranchers.	1.2 Open, expand, and maintain global market opportunities for agricultural producers.	1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.

Farm and Foreign Agricultural Services Mission Area *(continued)*

Risk Management Agency

Goal 1 To strengthen the safety net for agricultural producers through sound risk management programs and education.

Food, Nutrition and Consumer Services Mission Area

Center for Nutrition Policy and Promotion

Goal 1 Improved nutritional status of Americans

Food and Consumer Service

Goal 1 Enhanced food and nutrition security for low-income Americans

Goal 2 Healthful diets for school-age children

Goal 3 Improved nutritional status and health of low-income women, infants and children (WIC program)

Goal 4 Improved nutritional status of children in day-care settings

Goal 5 Low-income children consume nutritious lunches when school meals are not available

Goal 6 Improved quality of food distribution commodities and service

Continued

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
			■			
■			■			
■			■			
■			■			
■						
■						
■						
■		■				

Linkage of USDA Goals/Subgoals to Agency Goals

USDA Goals/Subgoals

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents

1.1 Enhance the economic safety net for farmers and ranchers.	1.2 Open, expand, and maintain global market opportunities for agricultural producers.	1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.
---	--	--

Agency Goals, by Mission Area

Food Safety Mission Area

Food Safety and Inspection Service

Goal 1 Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.



Marketing and Regulatory Programs Mission Area

Agricultural Marketing Service

Goal 1 Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.



Goal 2 Ensure fair and competitive agricultural marketing through marketing tools and regulations.



Animal and Plant Health Inspection Service

Goal 1 Safeguard U.S. plant and animal resources against introductions of foreign pests and diseases, while meeting international trade obligations.



Goal 2 Quickly detect and respond to introductions of foreign agricultural pests and diseases or other emerging agricultural health threats, to minimize production losses and export market disruptions.



Goal 3 Effectively manage plant and animal pests and diseases and wildlife damage which pose risks to agriculture, natural resources, or public health.



Goal 4 Ensure the humane care and treatment of animals covered under the Animal Welfare Act and the Horse Protection Act.



Continued

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
	■		■	■	■	
	■					
					■	
					■	
					■	■

Linkage of USDA Goals/Subgoals to Agency Goals

USDA Goals/Subgoals

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents		
1.1 Enhance the economic safety net for farmers and ranchers.	1.2 Open, expand, and maintain global market opportunities for agricultural producers.	1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.

Agency Goals, by Mission Area

Marketing and Regulatory Programs Mission Area (continued)

Animal and Plant Health Inspection Service (continued)

Goal 5 Facilitate the development of safe and effective veterinary biologics, biotechnology-derived products, and other scientific methods for the benefit of agricultural producers and consumers and to protect the health of American agriculture.



Grain Inspection, Packers and Stockyards Administration

Goal 1 Ensure a fair, open and competitive marketing environment for livestock, meat, and poultry.



Goal 2 Promote and protect the integrity of the domestic and global marketing of U.S. grain for the benefit of American agriculture.



Natural Resources and Environment Mission Area

Forest Service

Goal 1 Ensure Sustainable Ecosystems

Goal 2 Provide Multiple Benefits for People within the Capabilities of Ecosystems



Goal 3 Ensure Organizational Effectiveness

Continued

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
					■	■
						■
					■	■
						■

Linkage of USDA Goals/Subgoals to Agency Goals

USDA Goals/Subgoals

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents

<p>1.1 Enhance the economic safety net for farmers and ranchers.</p>	<p>1.2 Open, expand, and maintain global market opportunities for agricultural producers.</p>	<p>1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.</p>
---	--	--

Agency Goals, by Mission Area

Natural Resources and Environment Mission Area (continued)

Natural Resources Conservation Service

<p>Goal 1 Individuals and their neighbors working together as effective and willing stewards of the natural resources on their property and in their communities.</p>			■
<p>Goal 2 A healthy and productive land that sustains food and fiber production, sustains functioning watersheds and natural systems, enhances the environment, and improves urban and rural landscapes.</p>			

Research, Education and Economics Mission Area

Agricultural Research Service

<p>Goal 1 Through research and education, empower the agricultural system with knowledge that will improve competitiveness in domestic production, processing and marketing.</p>		■	■
<p>Goal 2 To ensure an adequate food supply and improved detection, surveillance, prevention, and educational programs for the american public's health, safety and well-being.</p>			
<p>Goal 3 A healthy and well-nourished population who have knowledge, desire, and means to make health promoting choices.</p>			
<p>Goal 4 To enhance the quality of the environment through better understanding of and building on agriculture's and forestry's complex links with soil, water, air, and biotic resources.</p>	■		
<p>Goal 5 Empower people and communities, through research-based information and education, to address the economic and social challenges of our youth, families, and communities.</p>	■		

Continued

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
					■	
					■	■
	■			■		
■			■			
					■	■
		■				

Linkage of USDA Goals/Subgoals to Agency Goals

USDA Goals/Subgoals

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents

<p>1.1 Enhance the economic safety net for farmers and ranchers.</p>	<p>1.2 Open, expand, and maintain global market opportunities for agricultural producers.</p>	<p>1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.</p>
---	--	--

Agency Goals, by Mission Area

Research, Education and Economics Mission Area *(continued)*

Cooperative State Research, Education, and Extension Service

<p>Goal 1 An agricultural production system that is highly competitive in the global economy</p>		■	
<p>Goal 2 A safe, secure food and fiber system</p>			
<p>Goal 3 A healthy, well nourished population</p>			
<p>Goal 4 Greater harmony between agriculture and the environment</p>			
<p>Goal 5 Enhanced economic opportunity and quality of life for Americans</p>	■		■

Economic Research Service

<p>Goal 1 The agricultural production system is highly competitive in the global economy.</p>	■	■	
<p>Goal 2 The food production system is safe and secure.</p>			
<p>Goal 3 The Nation's population is healthy and well-nourished.</p>			
<p>Goal 4 Agriculture and the environment are in harmony.</p>			
<p>Goal 5 Enhanced economic opportunity and quality of life for rural Americans.</p>			■

Continued

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
■	■	■		■		
			■			
					■	■
				■		
	■					
■		■	■	■		
					■	■

Linkage of USDA Goals/Subgoals to Agency Goals

Agency Goals, by Mission Area

Research, Education and Economics Mission Area *(continued)*

National Agricultural Statistics Service

Goal 1 Through research and education, empower the agricultural system with knowledge that will improve domestic production, processing and marketing to successfully compete in the global market.		■	
Goal 2 Ensure an adequate food and fiber supply and promote food safety through improved detection, surveillance, prevention, and education.			
Goal 3 Foster a healthy and well-nourished population having the knowledge, desire, and means to make health-promoting choices.			
Goal 4 Enhance the quality of the environment through a better understanding of and building on agriculture's and forestry's complex links with soil, water, air, and biotic resources.			
Goal 5 Empower people and communities, through research-based information and education, to address the economic and social problems facing our youth, families, and communities.			■

Continued

USDA Goals/Subgoals

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents		
1.1 Enhance the economic safety net for farmers and ranchers.	1.2 Open, expand, and maintain global market opportunities for agricultural producers.	1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.

GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.
				■		
			■			
					■	



USDA Goals/Subgoals

Linkage of USDA Goals/Subgoals to Agency Goals

Agency Goals, by Mission Area

GOAL 1 Expand economic and trade opportunities for agricultural producers and other rural residents		
1.1 Enhance the economic safety net for farmers and ranchers.	1.2 Open, expand, and maintain global market opportunities for agricultural producers.	1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents.

Rural Development Mission Area

Goal 1 Good jobs and diverse markets. Rural Development will improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives.	■		■
Goal 2 Quality housing and modern community facilities. Rural Development will improve the quality of life of rural residents by providing access to technical assistance, capital and credit for quality housing and modern, essential community facilities.			■
Goal 3 Modern affordable utilities. Rural Development will improve the quality of life of rural residents by promoting and providing access to capital and credit for the development and delivery of modern, affordable utility services.			■

Alternative Agricultural Research and Commercialization Corporation

Goal 1 To accelerate the commercialization of industrial and consumer products made from renewable agricultural, forestry, and animal by-product raw materials.	■	■	■
--	---	---	---



GOAL 2 Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply					GOAL 3 Promote sensible management of our natural resources	
2.1 Reduce hunger by assuring low income households access to adequate supplies of nutritious food.	2.2 Reduce the incidence of foodborne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote gleaning and other food recovery programs.	2.4 Improve dietary practices and promote a healthy, well-nourished population through nutrition education and research.	2.5 Enhance world food security and assist in the reduction of world hunger.	3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.	3.2 Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness and aquatic ecosystems.

Farm and Foreign Agricultural Services (FFAS) Mission Area Strategic Plan

FFAS

Table of Contents

Introduction	2-3
--------------------	-----

Agencies' strategic plans

Farm Service Agency (FSA)	2-5
Foreign Agricultural Service (FAS)	2-31
Risk Management Agency (RMA)	2-47



Introduction

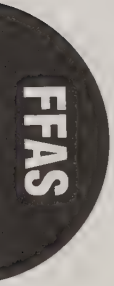
The Farm and Foreign Agricultural Services (FFAS) mission area, composed of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS), and the Risk Management Agency (RMA), is responsible for helping keep America's farmers and ranchers in business as they face the uncertainties of weather and markets. We accomplish this by delivering commodity, credit, conservation, and emergency assistance programs that help improve the stability and strength of the agricultural economy. We contribute to the vitality of the farm sector with programs designed to encourage the expansion of export markets for U.S. agricultural products. In cooperation with the private sector, we sanction the provision of broad-based crop insurance programs and other risk management tools.

FFAS is committed to demonstrating and promoting excellence and continually improving processes, products, and services to better satisfy the requirements of our customers and stakeholders. We will promote results-driven management practices throughout FFAS.

We will work to enhance the public's confidence in us by ensuring that our program activities are consistent with national goals, carefully conceived, well executed, and materially beneficial to America's producers, food and agricultural enterprises, and rural communities.

The following strategic plans by the FSA, FAS, and RMA present the activities of the Farm and Foreign Agricultural Services mission area, linking together individual agency programs in terms of our overall contribution to American agriculture.

A circular logo with the letters "FFAS" written vertically in white on a dark background.



Farm Service Agency (FSA) Strategic Plan

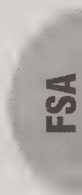


Table of Contents

Introduction	2-7
Key External Factors	2-8
Mission	2-8
Goals	2-8
Management Initiatives	2-23
Linkage of Goals to Annual Performance Plan	2-28
Resources Needed	2-28
Program Evaluation	2-29
Role of External Entities	2-30

FSA

Strategic Plan Services Agency (2021-2025)

Table of Contents

- 1. Introduction
- 2. Vision and Mission
- 3. Strategic Objectives
- 4. Key Initiatives
- 5. Resource Allocation
- 6. Performance Metrics
- 7. Risk Management
- 8. Conclusion

Introduction

The Farm Service Agency (FSA) improves the economic stability of agriculture and the environment through commodity programs; farm ownership, operating, and emergency loans; conservation programs; domestic and overseas food assistance programs; and disaster programs. These programs provide a safety net to help farmers produce an adequate food supply, maintain viable operations, compete for export sales of commodities in the world marketplace, and contribute to the year-round availability of a variety of low-cost, safe, and nutritious foods. FSA considers environmental impacts in the development and implementation of program operations to ensure adequate protection of natural, cultural, and historic resources.

FSA was established when the U.S. Department of Agriculture (USDA) was reorganized under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103-354 (Reorganization Act), incorporating programs from the Agricultural Stabilization and Conservation Service, the Federal Crop Insurance Corporation (now a separate agency—the Risk Management Agency (RMA)), and farm lending activities of the Farmers Home Administration.

Currently, FSA's programs are delivered in over 2,500 USDA Service Centers and 51 State Offices, including Puerto Rico. This network enables FSA to maintain close relationships with Agency customers and successfully address customer needs in an effort to continually improve the delivery of FSA programs.

Farm loan programs administered by FSA are authorized by the Consolidated Farm and Rural Development Act, as amended. The primary loan programs, which consist of farm ownership and operating loans, are available on either a direct or guaranteed basis. Direct loans are made and serviced by FSA, whereas guaranteed loans are provided and serviced by private sector lenders, with the additional protection of a Federal guarantee. Emergency loans are available only on a direct basis.

FSA is addressing historic shifts in the Federal Government's role in production agriculture. The Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127 (1996 Act), has resulted in major changes to FSA's price support programs, whereby farm commodity prices will be largely determined by market factors, rather than Government subsidies and production controls. This legislation was developed to encourage a thriving export business for American farmers and use of risk management tools such as the commodity futures market and revenue insurance programs.

These significant changes in agricultural policy must be accommodated within the framework of a balanced budget. The original fiscal year (FY) 1998 budget proposed to reduce FSA non-Federal employees by 1,850 staff years in FY 1998 and the number of field offices to 2,000 by the end of FY 1999. Anticipated FY 1998 Federal employment levels would have been reduced from 6,146 full-time equivalents to 5,877. These reductions would have resulted in a FSA workforce of about 9,800 non-Federal and 5,900 Federal employees.

To address changes in agricultural policy within the balanced budget framework, a summit of Congressional and Executive Branch agricultural leadership was conducted in June 1997. The results of the summit, and subsequent discussions, highlighted a need for USDA to achieve greater administrative efficiencies and suggested a wide range of roles for the Department in the future of production agriculture. In addition, an independent study will be conducted, under the auspices of the Secretary, to examine FSA and Natural Resources Conservation Service (NRCS) for opportunities to improve overall customer service and the efficiency of the delivery system. Results of the summit, subsequent discussions, this study, and additional studies will be incorporated in future iterations of the Strategic Plan.

The Reorganization Act provides the Secretary the authority to streamline and reorganize the Department to achieve greater efficiencies in the management of

USDA programs. Specifically, the Reorganization Act states, "Where practicable and to the extent consistent with efficient, effective, and improved service, the Secretary shall combine field offices of agencies within the Department to reduce personnel and duplicative overhead expenses." The Secretary directed FSA, NRCS, and Rural Development (RD) to provide USDA customers with the best possible service at the least possible cost at "one-stop" USDA Service Centers. In response, FSA, NRCS, and RD, together with Cooperative State Research, Education, and Extension Service (CSREES), Forest Service (FS), and RMA, developed partnership agreements and created the National Food and Agricultural Council (NFAC) to facilitate implementation of USDA Service Centers. Likewise, State and local Food and Agricultural Councils have been created in each of FSA's State Offices and Service Centers to promote timely and effective provision of USDA Service Center services.

To ensure that our programs are delivered efficiently and effectively through our State Offices, and take advantage of streamlining opportunities, FSA will cooperate with the Offices of the Assistant Secretary for Administration and the Chief Information Officer to implement the administrative convergence initiative. This initiative will consolidate the administrative resources and functions (financial management, human resources management, property and contracting, civil rights, and information resources management) both nationally and at the State level, for the Farm and Foreign Agricultural Services (FFAS) and RD mission areas and for all levels at NRCS.

Legislative initiatives and other Government-wide reforms have created new challenges and opportunities for FSA. Embodied in this Strategic Plan is the approach FSA will take for fiscal years 1998 through 2002 to implement the Reorganization Act, the 1996 Act, and all other applicable legislation; establish USDA Service Centers; and fulfill its mission of efficiently and equitably administering USDA's farm and farm loan programs.

Key External Factors

Accomplishment of the goals and objectives included in this plan is dependent upon economic and weather conditions, adequate funding and staffing levels, new legislative requirements, and continued support and commitment from partners and coordinators. More explicit external factors are included under each goal.

Mission

To ensure the well-being of American agriculture and the American public through efficient and equitable administration of agricultural commodity, farm loan, conservation, environmental, emergency assistance, and domestic and international food assistance programs.

Goals

FSA has four major goals which address farm programs, conservation and environment, farm loans, and commodity operations.

.....

Goal 1

Farm Programs - Provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber.

FSA administers programs to support production agriculture, including: Production Flexibility Contracts, Marketing Assistance Loans, Tobacco and Peanut Price Support Programs, and the Noninsured Crop Disaster Assistance Program (NAP). This goal is directly related to the Secretary's strategic goals 1.1 and 1.2.

■ Legislative Mandates

Agricultural Adjustment Act of 1938, Agricultural Act of 1949, No-Net-Cost Tobacco Program Act of 1982 (P.L. 97-218), Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, and the 1996 Act

■ Partnerships and Coordination

NRCS-conservation compliance; Economic Research Service (ERS)-loan rate development, Karnal Bunt program; Agricultural Marketing Service (AMS) cotton, tobacco, and peanut classification, Potato Diversion Program; Animal and Plant Health Inspection Service (APHIS)-Karnal Bunt program, tobacco pesticide chemical analysis; Sugar Processors-loan payments; Cooperative Marketing Associations-loan and Loan Deficiency Payment programs; Loan Servicing Agents-cotton loan and Loan Deficiency Payment programs; Servicing Agent Banks-commodity loans; Commercial Warehouse Operators-commodity storage; National Cotton Council-cotton program administration; Tobacco and Peanut Associations-program administration; Marketing Card Contractors-tobacco and peanut marketing cards; U.S. Customs Service-tobacco and peanut import data; RMA-risk management tools; National Agricultural Statistics Service (NASS)-crop reference data for NAP

■ Objective 1.1

Maintain a high Agricultural Market Transition Act (AMTA) participation rate for eligible acreage.

Time Frame for Completion

September 30, 2002

Strategies for Achieving the Objective

Target eligible acreage released from the Conservation Reserve Program (CRP) for enrollment in AMTA, through outreach efforts, to maintain a high acreage enrollment level.

Performance Measure

Eligible acreage enrolled in the program, including acreage released from CRP (%).

Performance Target

98%

Baseline

98% (1996)

Program Evaluation

Upon issuance of AMTA payments in January, August, and October, a Contract Enrollment Data Report, PF-2R, is generated from the Kansas City Management

Office mainframe. This report will continue to be evaluated by the Production, Emergencies, and Compliance Division (PECD) and Economic and Policy Analysis Staff, located in Washington, D.C., to compare actual enrolled acreage to targeted enrolled acreage.

External Factors

- Commercial development on farmland.
- Fruit and vegetable, payment limitation, and/or conservation violations.

■ **Objective 1.2**

Provide marketing assistance loan and loan deficiency payment (LDP) programs enabling recipients to continue farming operations without marketing their product immediately after harvest.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Obtain daily spot market prices from AMS.
- Electronically calculate daily and 5-day average market prices and pass back to AMS for public dissemination.
- Establish loan rates.
- In cooperation with AMS, ensure producers are aware of loan rates and current crop prices.

Performance Measures

- a. Revenue received by producer at loan settlement exceeds price at harvest (%)
- b. Eligible production, by commodity, for which loans and LDPs are made when loan rates exceed market prices (%)

Performance Targets

- a. 100%
- b. 60%

Baselines

- a. Will be established, by commodity, when loan rate exceeds market price.
- b. Will be established, by commodity, when loan rate exceeds market price.

Program Evaluations

A software program will be developed comparing adjusted daily terminal market prices, commonly referred to as the posted county price, at loan making to the posted county price at loan settlement for a randomly selected statistically representative sample of loans disbursed during the loan availability period for wheat, feed grains, cotton, and rice. The posted county price will be reduced to reflect storage costs incurred during the loan period. The Price Support Division, located in Washington, D.C., will evaluate this information to determine the extent to which revenue received at loan settlement exceeds prices at harvest.

A software program will be developed comparing the quantity of wheat, feed grains, upland cotton and rice, respectively, placed under loan or for which a LDP was received during the loan availability period to the total eligible quantity of

each respective commodity. The Price Support Division will evaluate this information to determine the proportion of eligible crops placed under loan or paid LDPs as market prices approach or fall below the loan rate.

External Factors

- Weather conditions which affect production, supply and demand, market prices, and loan rates.
- Ability to transport commodities to market in a timely manner.
- Availability of storage facilities.

■ **Objective 1.3**

Stabilize the price and production of tobacco and peanuts.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Establish acreage allotments and poundage marketing quotas.
- Establish the price support loan level for tobacco and peanuts.
- Establish no-net-cost assessments to cover projected losses in operating the tobacco and peanut price support programs.

Performance Measures

- a. Average tobacco and peanut assessment (\$/pound)
- b. Average price per pound of tobacco and ton of peanuts (\$/pound,\$/ton)

Performance Targets

- a. 8 cents per pound or less for tobacco
 .00366 dollars per pound for quota peanuts
 .0004 dollars per pound for non-quota peanuts
- b. Tobacco prices to average at least \$1.70 per pound
 Quota peanut prices to average at least \$610.00 per ton
 Non-quota peanut prices to average at least \$132.00 per ton

Baselines

- a. Total assessment collections for marketing year 1996 averaged:
 2.0 cents per pound for tobacco
 .0035 dollars per pound for quota peanuts
 .0004 dollars per pound for non-quota peanuts
- b. Prices received by producers in marketing year 1996 averaged:
 \$1.87 per pound for tobacco
 \$610.00 per ton for quota peanuts
 \$132.00 per ton for non-quota peanuts

Program Evaluations

The Tobacco and Peanuts Division (TPD) receives daily, weekly, and year-end market news summary reports from AMS that enable TPD to identify the quantity of tobacco and peanuts being placed under price support loan, marketed, or introduced into the trade. These reports also enable TPD to compare average market

prices to price support loan rates established by the Secretary. TPD verifies actual loan receipts through the tobacco and peanut loan associations.

Prior to the beginning of each crop year, TPD determines funding available in Commodity Credit Corporation (CCC) trust accounts (no-net-cost accounts) to administer the tobacco and peanut price support programs and projects anticipated outlays and losses associated with these programs. Based on this evaluation, assessment rates are established for the upcoming crop year. Annually, TPD compares actual loan outlays to account balances of assessments to determine the actual tobacco assessment levels for the subsequent crop year.

External Factors

Tobacco and peanut prices are governed by economic principles of supply and demand. If supply increases or demand decreases, tobacco and peanut prices will decline, resulting in an increase in price support loans. Increased inventories and storage costs, combined with reduced sales proceeds, result in higher producer assessments.

■ **Objective 1.4**

Provide a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevent planting of noninsured crops.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Electronically provide approved crop price, yield, and payment factors to FSA State Offices, prior to beginning of the crop year for each applicable commodity.
- Delegate authority for area loss and crop eligibility approvals to FSA State Offices.
- Appraise losses and issue payments timely.
- Fully automate program functions.
- Issue a certificate of reporting compliance and Summary of Protection listing reported acreage, calculated actual production histories, and the guaranteed minimum yield to producers annually reporting acreage, production, and shares.

Performance Measures

- a. Number of crops for which price, average yield, and payment factors are approved prior to crop year (#)
- b. NAP area eligibility designation (days)
- c. Number of days between producer filing acreage and production reports and issuance of Summary of Protection (#)

Performance Targets

- a. 1600 crops
- b. 45 days
- c. 15 days

Baselines

- a. Will be established in FY 1998.
- b. 90 days (1996)
- c. Baseline will be established upon implementation of this initiative.

Program Evaluations

PECD will require State Offices to submit recommended prices and yields for approval prior to the beginning of the crop year. PECD will evaluate the timeliness of all submissions on an annual basis.

Time frames for NAP area eligibility designations will be automated at the State Office level. PECD will evaluate this information to determine the number of elapsed days from disaster to NAP area designation approval.

External Factor

- Producers not reporting crop acreage and production.
- The occurrence of natural disasters.

Goal 2

Conservation and Environment - Assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farmland and ranches while protecting the human and natural environment.

FSA administers conservation and environmental programs including the CRP, Emergency Conservation Program (ECP), and the Hazardous Waste Management Program. This goal is directly related to the Secretary's strategic goals 1.1, 3.1, and 3.2.

■ Legislative Mandates

Title IV of the Agricultural Credit Act of 1978 (P.L. 95-334); Safe Drinking Water Act, as amended; Comprehensive Environmental Response, Compensation, and Liability Act, as amended; and Title XII of the Food Security Act of 1985, as amended.

■ Partnerships and Coordination

NRCS-land eligibility and environmental benefits for CRP, technical assistance for ECP; FS-forestry technical assistance for CRP; U.S. Fish and Wildlife Service-wildlife habitat and wetland technical advice for CRP; State and local Soil and Water Conservation Districts-administrative and technical support for CRP; Environmental Protection Agency-environmental technical advice, contamination levels; Argonne National Laboratories-site investigation and feasibility studies; Department of Energy-remediation contracting; State Departments of Health and Environmental Resources-remediation permit approval.

■ Objective 2.1

Improve environmental quality, protect natural resources, and enhance habitat for fish and wildlife, including threatened and endangered species.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Maintain an enrollment of 36.4 million acres in CRP by conducting a regularly scheduled sign-up to enroll new acreage in the CRP and conducting a continuous CRP sign-up to enroll environmental priority practice acreage.
- Prior to each signup, evaluate and modify, if necessary, the environmental benefits index to ensure selected acreage offers the greatest environmental benefit
- Target the conservation needs of state and local communities by accelerating funding through the Conservation Reserve Enhancement Program.

Performance Measures

- a. Number of acres enrolled (#)
- b. Acres of highly erodible land retired (#)
- c. Trees or shrubs planted on enrolled acreage (%)
- d. Acres of environmental priority/water quality areas (#)
- e. Acres of riparian buffers and filter strips (#)
- f. Restored acres of wetlands (#)
- g. Established acres of enhanced wildlife habitat (#)

Performance Targets

- a. 36.4 million acres
- b. 15 million acres
- c. 12%
- d. 1.2 million acres
- e. 4 million acres
- f. 1.43 million acres
- g. 2.16 million acres

Baselines

- a-b. Will be established in FY 1998.
- c. 6% (1996)
- d-g. Will be established in FY 1998.

Program Evaluations

The Conservation Environmental Programs Division (CEPD) evaluates CRP bid files, CRP contract files, and reports generated by the Conservation Reporting and Evaluation System to determine the environmental benefits of CRP and, upon contract approval, the data is updated to reflect land use, land treatment, and environmental benefits.

Prior to annual payment issuance, Service Centers conduct on-site spot checks and review producer files to ensure conservation practices are maintained in accordance with program requirements.

External Factors

- Favorable market prices may not induce producers to retire cropland.
- Natural disasters or severe drought.
- Noncompliance with program provisions.
- Demand for enrollment may exceed authorized enrollment levels.

■ Objective 2.2

Provide Emergency Conservation Program funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency conservation measures during periods of severe drought.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Request emergency funding to rehabilitate farmland damaged by natural disaster.
- Conduct on-site inspections to assess the extent of damage to farmland for which emergency funding is requested.
- Provide cost-sharing assistance to rehabilitate damaged farmland.

Performance Measure

Acres of damaged farmland rehabilitated (#)

Performance Target

Target cannot be determined because the type, extent, and frequency of natural disasters are unknown.

Baseline

1.4 million acres rehabilitated in 1996.

Program Evaluation

CEPD will evaluate ECP statistical reports generated by the Kansas City Management Office mainframe and Form AD-862, Conservation Reporting Evaluation System, to determine the number of rehabilitated acres.

External Factor

Obtaining appropriations sufficient to provide cost-sharing assistance to rehabilitate damaged farmlands.

■ Objective 2.3

Protect public health of communities contaminated by carbon tetrachloride through continued implementation of CCC's Hazardous Waste Management Program.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Provide alternative water supplies such as new wells, connection to rural lines, or bottled water.
- Characterize and remediate contaminated sites.

Performance Measures

- Communities provided safe drinking water through remediation efforts (%,#)
- Site investigation costs (\$)
- Average amount of time to perform site investigations (months)

Performance Targets

a-c. Will be established in FY 1998

Baselines

- Measurement system will be established in FY 1998.
- \$900,000 per site (1996)
- 12 months (1996)

Program Evaluation

CEPD will review monthly engineering and construction progress reports to determine the status of remediation initiatives, including communities impacted by remediation efforts and time frames for completion. CEPD will also review the monthly billing statements to determine the costs incurred to perform remediation at each site.

External Factors

- Funding adequate to perform site investigation and remediation efforts.
- Adequate assistance from contractors and other Government entities to perform remediation efforts.

Goal 3

Farm Loans - Assist eligible individuals and families in becoming successful farmers and ranchers.

FSA administers direct and guaranteed farm ownership, operating, and emergency loans. This goal is directly related to the Secretary's strategic goals 1.1, 1.2, and 1.3.

■ **Legislative Mandate**

The Consolidated Farm and Rural Development Act of 1961 (P.L. 87-128), as amended, authorizes the Secretary to make or guarantee loans to eligible farmers and ranchers, including farm operating, farm ownership, emergency, and soil and water loans.

■ Partnerships and Coordination

Commercial Lenders-originate and service guaranteed farm loans; Financial Institutions-guaranteed loan program improvement; States-direct and guaranteed loan program coordination

■ Program Evaluation

National Internal Review-Comprehensive review conducted annually in one-third of the State Offices to ensure that loan decisions are sound and that program implementation is in accordance with statutes and regulations. This evaluation process is conducted for the following four objectives:

■ Objective 3.1

Improve the economic viability of farmers and ranchers.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Conduct quality farm assessments, which includes development of individual business plans encompassing business and personal financial objectives, and follow up.
- Address borrower performance problems promptly.
- Provide technical assistance and supervised credit.

Performance Measures

- a. Existing direct loan borrowers whose classification score improved (%)
- b. Direct loan borrowers graduating to commercial credit (%)

Performance Targets

a-b. Targets will be established once baselines are determined.

Baselines

a-b. Systems to track performance measures are being developed in FY 1998.

External Factors

- Widespread or prolonged natural disasters can significantly reduce farm production and, therefore, reduce net income.
- Substantial inflation in farm expenses.
- Depressed commodity prices.
- Failure of ranchers and farmers to take advantage of risk management tools.

■ Objective 3.2

Reduce losses in direct loan programs.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Conduct and follow an aggressive farm assessment plan.
- Follow up on problem accounts in a timely manner.
- Resolve old problem cases.
- Actively market and sell inventoried property.

Performance Measure

Loss rate on direct loans (%)

Performance Target

5.2% (35% reduction in loss rate from 1996 baseline)

Baseline

8% (1996)

External Factors

- Widespread or prolonged natural disasters can significantly reduce farm production and, therefore, reduce net income.
- Substantial inflation in farm expenses.
- Depressed commodity prices.
- Failure of ranchers and farmers to take advantage of risk management tools.

■ Objective 3.3

Respond to loan making and servicing requests in a timely manner.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Work with State Offices to process requests for declarations of disaster areas in response to natural disasters.
- Implement an aggressive market placement program, where FSA prepares and packages all necessary documentation for guaranteed loan applications.

Performance Measures

- a. Processing time for direct loans (days)
- b. Processing time for guaranteed loans (days)
- c. Direct loan borrowers whose accounts are over 90 days past due (%)

Performance Targets

- a. 18 days (20% reduction from FY 1996 baseline)
- b. 11 days (20% reduction from FY 1996 baseline)
- c. Will be established once the baseline is determined.

Baselines

- a. 23 days (FY 1996)
- b. 14 days (FY 1996)
- c. Will be established in FY 1998.

External Factors

- Substantially increased demand for services as a result of natural disasters or economic downturn.
- Additional legislative or regulatory requirements.
- Failure of other organizations to respond timely to information requests.

■ Objective 3.4

Maximize financial and technical assistance to under served groups to aid them in establishing and maintaining profitable farming operations.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Provide counseling and supervision to direct and guaranteed loan borrowers by assessing and evaluating all aspects of their farming operations.
- Implement a market placement program for eligible borrowers, whereby FSA prepares and packages all necessary documentation for guaranteed loan applications and presents applications to commercial lenders for approval.
- Implement aggressive outreach efforts.

Performance Measures

Program loans made or guaranteed that are received by beginning and socially disadvantaged farmers and ranchers (%)

Performance Targets

18% (100% increase from FY 1996 baseline)

Baselines

Direct and guaranteed loans to socially disadvantaged farmers in FY 1996 (9%)

External Factors

- Availability of funding for travel, outreach training, and new updated informational materials.
- Adequacy of resources at the State and county level to provide outreach to targeted communities.
- Cooperation of community-based, social, and religious organizations in providing outreach to the targeted population.

Goal 4

Commodity Operations - Improve the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs, and administer the U.S. Warehouse Act (USWA).

FSA's commodity operations involve the acquisition, procurement, storage, and distribution of commodities, and management of the USWA. These activities help ensure achievement of domestic farm program price support objectives, produce a uniform

regulatory system for storage of agricultural products, and ensure the timely provision of food products procured for the domestic and international food assistance and market development programs. This goal is directly related to the Secretary's strategic goals 1.1, 1.2, 2.1, 2.2, 2.4, and 2.5.

■ Legislative Mandates

Warehouse activities are governed by: CCC Charter Act, as amended through P.L. 104-130, April 9, 1996, and the USWA of 1916, as amended. Procurement activities are governed by: National School Lunch Act, Sections 6 (a) and (e), 13, and 17; Emergency Food Assistance Act of 1983, as amended; Agricultural Trade Development and Assistance Act of 1954 (P.L. 480, Titles II and III), as amended; Food for Progress Act of 1985, as amended; and the Agricultural Act of 1949, Section 416(b), as amended.

■ Partnerships and Coordination

Commercial Warehouse Operators-commodity storage and handling; Food and Consumer Service (FCS)-domestic nutrition and feeding program administration; AMS-commodity procurement and inspection; Agency for International Development and Foreign Agricultural Service (FAS)-international humanitarian development and relief; Grain Inspection, Packers and Stockyards Administration (GIPSA)-processed grain products manufacturing inspection; Private Voluntary Organizations-international commodity distribution; Clemson University-technical assistance; Agricultural Research Service (ARS)-research and development of more nutritious products for feeding programs.

■ Objective 4.1

Reduce the percentage of USWA warehouse examination costs paid by CCC, thereby increasing the self-sufficiency of USWA examination operations.

Time Frame for Completion

September 30, 2002

Strategies for Achieving the Objective

- Revise USWA to streamline examination procedures.
- Increase the use of technology to expedite the examination process by evaluating electronic inventory devices, implementing electronic transfer of data/files, and converting paper files to electronic files (record scanning).

Performance Measure

USWA warehouse examination costs funded by CCC (% of total examination costs)

Performance Target

30%

Baseline

65% CCC funded (FY 1996)

Program Evaluations

Management monitors user fee expenditures to ensure that program costs do not exceed available funds. Additionally, warehouse examination results are reviewed

by individuals in the Kansas City Commodity Office to verify that examinations are adequate to ensure that facilities licensed under the USWA meet storage and handling requirements.

External Factors

- Warehouse industry willingness to fund warehouse examinations.
- Congressional support for revising USWA.
- Funding to obtain advanced examination technology.

■ **Objective 4.2**

Purchase processed commodities in a more timely and cost-effective manner and improve timeliness of processed commodity deliveries to customers.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Streamline procurement processes and procedures by receiving vendor bids and awarding vendor contracts electronically, including evaluating the results of the Electronic Commerce Applications Pilot for export programs.
- Increase the number of commercial products purchased.
- Improve processed commodity vendor participation in contract bid process by offering long-term contracts (greater than 1 month).
- Track shipper/carrier contract compliance and establish procedures to ensure that shippers/carriers that do not meet contractual obligations are excluded from the bid process for a specified time.

Performance Measures

- a. Total processing time per bid (hours, minutes)
- b. On-time deliveries and shipments (%)

Performance Targets

- a. To be established upon completion of Electronic Commerce Applications Pilot-FY 1998
- b. 95%

Baselines

- a. To be established upon completion of Electronic Commerce Applications Pilot-FY 1998
- b. 80% (FY 1996)

Program Evaluation

Commodity shipments are tracked in the Processed Commodity Inventory Management System to determine if deliveries are made within stated contract provisions. Reports are generated on a monthly and quarterly basis and sent to FCS for review.

External Factors

- Inability of vendors to transmit bids electronically due to incompatible software and/or lack of electronic equipment.

- Vendors' ability to meet production requests in a timely manner.
- Inability to transport commodities due to inclement weather.

■ Objective 4.3

Improve the quality of processed commodities purchased.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Implement Total Quality Systems Audit to improve the quality of processed commodities purchased for USDA food assistance programs.
- Ensure all vendors having USDA commodity procurement contracts complete Total Quality Systems Audit by September 2002.
- Benchmark quality assurance standards of major commercial processed commodity purchasers, such as major supermarket chains, to help ensure that goods we purchase are of the highest quality and meet contract requirements.
- Adopt international quality standards for manufacturing processed commodities.
- Distribute and collect customer satisfaction survey cards to evaluate customer satisfaction with USDA processed commodities.

Performance Measures

- a. Customers satisfied with quality of processed commodities (%)
- b. Companies participating in Total Quality Systems Audit that improved their standards for manufacturing processed commodities (%)

Performance Targets

- a. 95%
- b. 100%

Baselines

- a. Baseline will be established in FY 1998.
- b. 100%

Program Evaluation

The Total Quality Systems Audit, implemented in FY 1997, is used to evaluate the processed commodity manufacturing processes of vendors under contract with USDA to ensure product quality and reduce the cost of on-line inspections. Upon completion of the initial pre- and post-audit of the manufacturing process, vendors will be subject to periodic follow-up evaluations to ensure that their manufacturing process maintains the established high quality standards.

External Factors

- Lack of industry participation in Total Quality Systems Audit.
- AMS and GIPSA cooperation.
- Continued funding for Clemson support and FSA staffing necessary to complete the Total Quality Systems Audit.

Management Initiatives

To accomplish Goals 1 through 4, FSA, in cooperation with other agencies and mission areas, is implementing management initiatives in several areas, including equal employment opportunity and civil rights, program delivery, outreach, and administrative services, including financial management, information technology, procurement, and administrative convergence. These management initiatives relate to the Secretary's Management Initiatives 1 through 4.

To ensure our programs are delivered efficiently and effectively through our State Offices, and take advantage of streamlining opportunities, FSA will cooperate with the Offices of the Assistant Secretary for Administration and the Chief Information Officer to implement the administrative convergence initiative. This initiative will consolidate the administrative resources and functions (financial management, human resources management, property and contracting, civil rights, and information resources management) both nationally and at the State level, for the FFAS and RD mission areas and for all levels at NRCS.

■ Management Initiative 1

Provide fair and equal treatment in employment and the delivery of FSA programs.

FSA is committed to providing equal employment opportunity to all applicants and employees and ensuring protection of civil rights to all program applicants, recipients, and beneficiaries without regard to race, color, national origin, religion, sex, age, disability, marital status, and sexual orientation. Everyone will be treated with dignity and respect.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Address the concerns and recommendations identified in the Civil Rights Action Team Report.
- Improve workforce diversity by increasing the representation of women, minorities, and persons with disabilities in under-represented grade levels and occupations.
- Resolve complaints in a more timely manner by improving the complaints management process for program delivery and employment.
- Ensure that senior executives and supervisory managers are aware of Equal Employment Opportunity (EEO) and Civil Rights (CR) accomplishments and noncompliances.

Performance Measures

- a. Time to process program discrimination and employment complaints compared to processing times identified in Office of Inspector General's (OIG) February 27, 1997 Evaluation Report (%)
- b. Program discrimination and employment complaints (#)
- c. Representation of women, minorities, and persons with disabilities in targeted grade levels and occupations (%)

Partnerships and Coordination

FSA will continue to plan and implement actions to achieve EEO/CR initiatives in coordination with other agencies, including Office of Civil Rights, RD, NRCS, CSREES, and FS.

FSA maintains partnerships with employee organizations and American Federation of State, County, and Municipal Employees (AFSCME) Local 3925. Employment partners include educational institutions such as Historically Black Colleges and Universities, Hispanic Association of Colleges and Universities, and 1862, 1890, and 1994 Land-Grant Colleges and Universities.

To further ensure fair and equal treatment of employees and customers in the delivery of programs, FSA will coordinate activities, as necessary, with the Equal Employment Opportunity Commission, U.S. Commission on Civil Rights, and U.S. Department of Justice.

■ Management Initiative 2**Enhance the ability of small, limited-resource, and socially disadvantaged (SDA) family farmers/ranchers to operate successfully.**

FSA established the Outreach Programs Staff in FY 1997 to increase participation of small, limited-resource, and SDA family farmers and ranchers in Agency programs. Special emphasis is placed on the development and dissemination of information on FSA programs, assistance in improving farm management and financial analysis, and increased participation in County Committee (COC) nomination and election processes.

By increasing participation in FSA programs among small, limited-resource, and SDA family farmers and ranchers, we are serving those most in need of assistance and helping to ensure the well-being of American agriculture.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

Increase the number of small, limited-resource, and SDA family farmers and ranchers participating in FSA/USDA programs and the FSA COC system by maximizing financial and technical assistance and executing vigorous outreach efforts, with the assistance and cooperation of partner organizations.

Performance Measures

- a. SDA farmers and ranchers elected to hold COC positions (#,%)
- b. Farmers/ranchers approved for farm loans and farm program assistance by program, race, and gender (#,%)
- c. Small, limited-resource, and SDA family farmers/ranchers indicating that they have continuing farming/ranching operations as a result of assistance received through FSA programs (#,%)

Partnerships and Coordination

FSA works with the following to facilitate outreach efforts nationwide:

- CSREES
- 1862, 1890, and 1994 Land-Grant Colleges and Universities
- 1994 American Indian Community Colleges
- Professional Agricultural Workers

- Inter-Tribal Agricultural Councils
- Federation of Southern Cooperatives
- Arkansas Land and Farm Development Corporation
- Community-based, social, and religious organizations

■ Management Initiative 3

Maintain a high level of customer satisfaction regarding the delivery of FSA program operations.

FSA's vision includes providing equitable, friendly, effective, and efficient customer service. Maintaining high levels of customer satisfaction is consistent with our vision.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Conduct surveys and focus groups with customers to obtain feedback regarding satisfaction with delivery of FSA program operations.
- Issue payments in a more timely manner.

Performance Measures

- a. Customer satisfaction (%)
- b. Average number of days between NAP area eligibility confirmation and issuance of payment to producer (#)

Performance Targets

- a. 95% satisfaction in all program areas.
- b. Marketing Assistance Loans-3 days; NAP-7 days

Baselines

- a. 1996 survey results: AMTA-90%, Marketing Assistance Loans and LDPs-93%, NAP-88%, CRP-94%, Farm Loans-85%
- b. Marketing Assistance Loans-7 days, NAP-20 days

■ Management Initiative 4

Develop effective administrative management policies and procedures and information technology processes for FFAS, taking into consideration the unique operating requirements of each Agency.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative — Financial and Information Resource Management

- Maintain financial data on FSA, FAS, and CCC operations to ensure timely and accurate reporting.
- Ensure the timely completion of audited financial statements for FSA, FAS, and CCC.

- Implement the Debt Collection Improvement Act of 1996 to ensure a more effective process for collecting debts due FSA and CCC.
- Implement electronic funds transfer for all Service Center initiated program and vendor payments
- Redesign current mainframe applications to reduce costs and time to transmit program data from the Service Centers to the Kansas City Management Office.
- Manage information technology as a portfolio of investments.

**Strategies for Achieving the Management Initiative —
Procurement Reform**

- Install the Department's Purchase Card Management System.
- Increase involvement of small and disadvantaged businesses in Agency procurement.
- Implement performance-based contracting.

Performance Measures - Financial and Information Resource Management

- a. Unqualified audit opinion on CCC financial statements (yes/no)
- b. Percent decline in the average age of delinquent debts (%)
- c1. Late payments for which prompt payment interest and penalties were paid (%)
- c2. Service Center initiated payments made by electronic funds transfer compared to total number of payments made (%)
- d1. Average volume of characters transmitted per month (#)
- d2. FTS 2000 telephone charges per month (\$)

Performance Measures - Procurement Reform

- e. Costs/transaction for small purchases using credit cards (\$)
- f. Contracts awarded to small, 8(a), small disadvantaged, and women-owned businesses (%)
- g. Service contracts that are performance-based (%)

Partnerships and Coordination

- FAS and RMA-Provide management support services to all agencies in the FFAS mission area
- NRCS, RD, and Office of the Chief Information Officer-Participate with Service Center partner agencies and the Department to coordinate investment decisions for information technology.
- NRCS, RD, and USDA's Office Of Operations-Work in cooperation to implement the Tri-Agency Purchase Card Management System
- Office of the Chief Financial Officer- Work in cooperation to ensure the Agency meets Department standards for financial reporting and consolidated financial statements.

■ **Management Initiative 5**

Achieve greater cost and operating efficiencies in the delivery FFAS programs by implementing integrated administrative management systems and reinventing/reengineering FFAS business processes and systems.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Implement a single, integrated Core Accounting System which meets the requirements of the Department's Financial Information System Vision and Strategy.
- Implement a paperless personnel processing system for use by FFAS agencies.
- Participate in the USDA Service Center Business Process Re-engineering (BPR) initiatives to modernize the administrative processes.
- Implement recommendations for administrative convergence of Service Center functional areas.

Performance Measures

- a1. Financial Management System material weaknesses identified in CCC's annual financial statement audit (#)
- a2. Mixed financial and program feeder systems that are reengineered/modernized and operational (%)
- b. Time needed to process personnel transactions (#)

Partnerships and Coordination

- Office of the Chief Financial Officer-Financial Information System Vision and Strategy.
- RMA and FAS-Provide management support services to all agencies in the FFAS mission area.
- NRCS and RD-Participate with Service Center partner agencies in BPR efforts and administrative convergence at the Service Center level.

■ Management Initiative 6**Ensure producer compliance with program provisions.**

FSA's mission mandates the effective and equitable administration of farm loan and farm programs. Producer compliance with program provisions is essential to mission accomplishment.

FSA monitors producer and association compliance with program provisions through a variety of techniques including on-site farm spot checks, warehouse and association spot checks, and payment limitation reviews.

Strategies for Achieving the Management Initiative

- Utilize Geographic Positioning System units for measuring acreage in the field.
- Utilize satellite imagery or other forms of remote sensing to verify crops and acreage.
- Perform payment limitation reviews.
- Conduct farm spot checks to ensure monies are used for intended purposes and ensure compliance with conservation provisions, planting restrictions, quotas and allotments, and other program provisions.
- Conduct annual spot checks at auction warehouses (tobacco) and buying points (peanuts) to ensure compliance with pesticide, marketing, and storage regulations.
- Conduct association and warehouse spot checks to ensure compliance with storage agreements and marketing assistance loan provisions.

Performance Measure

Compliance with program provisions (%)

Partnerships and Coordination

- NRCS and RD-Coordinate with Service Center partner agencies in BPR efforts designed to obtain Geospatial Information Systems (GIS).
- NRCS, FS, USGS, and State and local governments-Joint members with FSA in the National Digital Orthophoto Program which will fund and maintain a complete cover of digital imagery of the United States, utilizing GIS equipment.
- U.S. Geological Survey (USGS)-Will be utilized to purchase digital ortho-photography.
- Department of Defense (DoD)-FSA has entered into a NAVSTAR precise positioning agreement with DoD which enables FSA to access DoD satellite transmissions to operate FSA Global Positioning System (GPS) units. GPS is used to facilitate acreage compliance determinations and the identification of disaster-affected areas.

Linkage of Goals to Annual Performance Plan

The goals in the Strategic Plan reflect FSA's long-term direction over the next 5-years. FSA's Annual Performance Plan identifies intermediate, annual goals facilitating the achievement of the long-term goals identified in the Strategic Plan.

Performance measures, performance targets, and baselines are identified for each annual performance goal, enabling FSA to adequately assess achievement of short-term, annual goals identified in the Annual Performance Plan as well as long-term goals identified in the Strategic Plan.

Goal 1 is linked to the following budget program activities: Marketing Assistance Loans and LDPs, AMTA, Dairy Indemnity Payments, Sugar Program, Tobacco and Peanut Price Support and Production Control Programs, NAP, and State Mediation Grants. Goal 2 is linked to CRP, ECP, and the Hazardous Waste Management Program. Goal 3 is linked to Direct and Guaranteed Loan Programs. Goal 4 is linked to Commercial Warehouse Activities (Reimbursable), Domestic Nutrition and Feeding Programs, Foreign Food Aid Humanitarian & Developmental Assistance Programs.

The strategic plan performance measures are the same as those used in the annual performance plan, with the exception of Goal 3 and Management Initiative 5. Additional performance measures are included in these two areas to better measure incremental performance towards achievement of long-term targeted levels of performance identified in the strategic plan.

Resources Needed

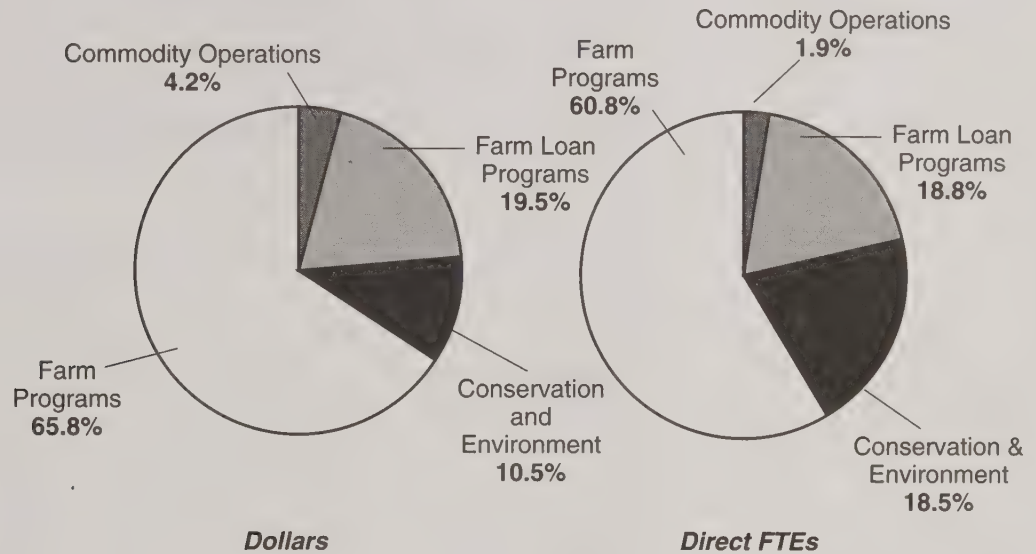
FSA's employees are our most valuable resource and help to ensure that customers receive quality service in a timely, cost-effective manner. The ability to maintain a high level of customer service is imperative for accomplishing FSA's mission. Administrative convergence, downsizing, and streamlining initiatives must be carried out in a manner that does not hinder program delivery and, ultimately, reduce customer satisfaction.

Investments in information technology are necessary to improve the effectiveness and efficiency of program operations and support functions. Resources are needed under Goals 1-3 to develop automated applications in Service Centers supporting accurate and timely applications and payments for farm, conservation, and farm loan programs. Resources are needed for Goal 4 to increase the use of technology to improve efficiency of the warehouse examination process.

As discussed in the Management Initiatives, FSA is currently in the process of

developing and implementing several management information systems including, Local Area Network/Wide Area Network/Voice in Service Centers, Common Computing Environment at selected Service Center test sites, Core Accounting System, Integrated Management Information System, Document Management Imaging System, and a paperless personnel processing system.

FY 1997 Budget Resource Allocations



Program Evaluation

Program evaluation findings were used in developing the Strategic Plan. For example, two General Accounting Office (GAO) reports stated that USDA's farm loan programs are highly vulnerable to waste, abuse, and mismanagement. FSA established an objective in Goal 3 to reduce losses in direct loan programs. A second example of how program evaluations were used in the development of the Strategic Plan is Management Initiative 5 where a key task is to implement a single, integrated Core Accounting System to produce a more efficient and effective financial management system. This addresses material weaknesses in our financial management systems identified in OIG audits of the CCC Financial Statements. These weaknesses are reported in our Federal Managers' Financial Integrity Act annual report to the President and Congress.

FSA will continue to evaluate the efficiency, effectiveness, and results of each of the goals, objectives, and management initiatives through over 50 internal program reviews, management control reviews, County Operations Review Program reviews, District Director reviews, OIG audits, GAO evaluations, and customer surveys. Evaluations will compare actual performance against targeted levels of performance as identified in Annual Performance Plans.

Role of External Entities

FSA's Strategic Plan was developed internally by personnel from all Deputy Administrator areas. FSA's goals, objectives, and management initiatives address the concerns and incorporate input from a variety of internal/external customers and stakeholders. The list of contributors includes:

- Agricultural Marketing Service
- American Bankers Association
- Animal and Plant Health Inspection Service
- Blue Ribbon Federal Warehouse Task Force
- Center for Rural Affairs
- Commercial Warehousemen
- Congressional Research Service
- Economic Research Service
- Environmental Protection Agency
- Farm Credit Council
- Farm Service Agency headquarters management and staff
- Forest Service
- General Accounting Office
- Independent Bankers Association
- Natural Resources Conservation Service
- Office of Management and Budget
- Office of the Chief Financial Officer
- Office of Inspector General
- Private lending institutions
- Rural Development mission area agencies
- State Office management and personnel
- Tobacco, Peanut, and other Loan Associations
- U.S. Fish and Wildlife Service
- Western Drought Coordination Council
- Western Governor's Association

FSA has also used focus groups and surveys to obtain customer/stakeholder input into development of the plan. Focus groups were held in 37 locations in 19 States, involving approximately 400 customers of USDA Service Centers. Two types of surveys were conducted, program participant and warehouse. Program participant surveys were conducted in 1994 and 1996.

Foreign Agricultural Service (FAS) Strategic Plan

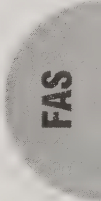


Table of Contents

Introduction	2-33
Key External Factors	2-34
FAS Partnerships	2-34
Mission	2-36
Goals	2-37
Management Initiatives	2-42
Linkage of Goals to Annual Performance Plan	2-45
Resources Needed	2-45
Program Evaluation	2-46
Role of External Entities	2-46

Introduction

(2021) 2021

2021

1.0

1.1

1.2

1.3

1.4

1.5

1.6

1.7

1.8

The following table shows the results of the survey conducted in 2021. The data indicates a significant increase in the number of respondents who reported feeling satisfied with their work environment. This is likely due to the implementation of new policies and procedures aimed at improving employee morale and productivity. The survey also revealed that there is still a need for further training and development opportunities for staff members. Overall, the results suggest that the organization is making progress in creating a more positive and supportive work environment.

Introduction

Headquartered in Washington, D.C., the Foreign Agricultural Service (FAS) maintains an international field structure which includes 82 Agricultural Counselor, Attache and Affiliate Foreign National Offices, 16 Agricultural Trade Offices, and a number of agricultural advisors covering 129 countries around the world. FAS administers a variety of export promotion, technical, and food assistance programs in cooperation with other Federal, State, local, private sector, and international organizations. Current FAS employment totals 885 with direct appropriated funding of \$135 million and reimbursable funding of \$32 million for fiscal year 1997.

FAS was established on March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attaches from the Department of State to FAS. These memoranda were consolidated in Title 5 of the Agricultural Trade Act of 1978, as amended. Secretary's Memorandum No. 1020-39 dated September 30, 1993, transferred the functions of the former Office of International Cooperation and Development to FAS.

National Interests Served by FAS Programs

The modest annual growth projected in domestic demand for U.S. agricultural production makes the export market the only viable source of potential significant increases in U.S. farm income. Because foreign competition is likely to intensify, the set of tools that Congress has authorized for promoting U.S. agricultural exports is critical to leveraging foreign market opportunities to maximum advantage. FAS works in partnership with other USDA agencies, non-USDA Federal agencies, international organizations, State and local governments, and private sector trade organizations to help U.S. food and agricultural exporters, farmers and ranchers, and rural communities fully realize the benefits and opportunities created by a more open trade environment.

Substantial FAS resources are directed at providing a level international playing field for U.S. food and agricultural exporters and producers. FAS is the lead agency in the Department charged with implementing the North American Free Trade Agreement and the General Agreement on Tariffs and Trade (GATT) Uruguay Round (UR) Agreement. FAS also works closely with the World Trade Organization (WTO), Food and Agriculture Organization (FAO), the Inter-American Institute for Cooperation on Agriculture (IICA), the U.S. Trade Representative (USTR), the Food and Drug Administration, and other USDA agencies (e.g., Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS), Agricultural Research Service (ARS) to ensure that sanitary and phytosanitary (SPS) measures are based on sound scientific principles. FAS will be a key player in negotiating the new multilateral trade round scheduled to begin in 1999, the Asian Pacific Economic Council, and the Free Trade Area of the Americas.

FAS also is involved in enhancing world food security through its foreign food aid donations and technical assistance, research, and economic development activities. In addition to helping developing countries feed their people, these activities contribute to sustainable development through improved management of global natural resources, and build stable and more prosperous economies. This, in turn, stimulates foreign demand for U.S. products over the long term by introducing U.S. goods to overseas consumers.

Background

The increasing success of U.S. agriculture in the international marketplace reflects a decade of bipartisan efforts to level the playing field in the global arena. Recent free-trade agreements are landmark accomplishments. The continuing profitability and via-

bility of U.S. agriculture depend on the ability of U.S. producers to be competitive in a world market. In the face of unprecedented opportunities and challenges, continued collaboration between the Administration and Congress toward a bold, comprehensive export strategy will ensure U.S. leadership in the global food and agricultural markets of the future.

Additionally, fundamental changes in domestic farm policy enacted by the Federal Agriculture Improvement and Reform (FAIR) Act of 1996 have positioned U.S. agriculture to be more responsive to market signals, both at home and abroad. The FAIR Act sharply reduces the Government's role in managing commodity stocks and shifts USDA's export strategy from a surplus-management focus to a demand-driven approach. The FAIR Act also implies that growth in U.S. farm income will be dependent on the market, as domestic support subsidies are reduced.

Although the world community has made considerable progress in improving world food security in developing countries during the past two decades, a large proportion of the world's population continues to experience hunger and malnutrition on a daily basis. This global challenge was addressed at the World Food Summit in Rome, Italy, in November 1996. During the Summit, the Clinton Administration endorsed the goal of reducing by half the number of undernourished people in the world by the year 2015. As the lead agency addressing international interests within USDA, FAS will be working with other USDA and non-USDA agencies, multilateral organizations, and private voluntary groups to improve world food security.

Key External Factors

Strong political and financial support for the various FAS programs continues to be essential for the agency to meet the challenges which lie ahead. These include overcoming foreign competitors' continued use of export subsidies, direct credits and credit guarantee programs, non-price export promotion, monopolistic marketing boards, and various technical assistance programs. Such competitor activities will require FAS to maintain the organizational capacity to respond with a variety of mechanisms and programs to level the playing field for U.S. agricultural exporters and producers. Other external factors outside FAS' span of control include:

- variability in crop production due to weather conditions, both at home and abroad.
- effect of foreign exchange fluctuations on the price of U.S. products abroad.
- political instability that may undermine demand in key importing countries.
- reductions in resources of other USDA and Federal agencies with which FAS works in partnership to fulfill its strategic mission and goals.

FAS Partnerships

FAS serves as the lead agency in the Department for opening, expanding, and maintaining global market opportunities for U.S. agricultural, fish, and forest products, and coordinates with other organizations to ensure world food security. It continuously interacts with other agencies and mission areas of USDA, as well as other Federal agencies, international organizations, and private sector concerns. The table below provides a list of organizations FAS regularly interacts with to accomplish its mission.

Table 1: FAS Partnerships and Coordination Linkages

Goals/Outcomes:	Goal 1/Outcome 1: Expand exports/provide level playing field	Goal 2/Outcome 2: Improve world food security/provide safe, reliable food supply	Management Initiatives: Streamline business processes/improve efficiency and effectiveness
Linkages			
USDA agencies	AMS, APHIS, ARS, CSREES, ERS, FSA, FSIS, GIPSA, NASS, Rural Development, and WAOB	AMS, APHIS, ARS, CSREES, ERS, FSA, FSIS, GIPSA, NASS, and Rural Development	USDA Departmental Administration, OCFO, OBPA, OCIO, MAP, and other USDA agencies including AMS, APHIS, ARS, CSREES, ERS, FSA, FSIS, GIPSA, NASS, and Rural Development
Other Federal agencies	USTR, Commerce Dept., State Dept., Treasury, Eximbank, OPIC, USAID, FDA, EPA, CIA, DOT, DOJ, OMB and DOD	USTR, OMB, Commerce Dept., State Dept., Treasury, Eximbank, OPIC, USAID, FDA, EPA, DOT, DOJ, and DOD	OMB, Congress, GAO, NPR, and State Dept.
International organizations	Food and Agricultural Organization, World Bank, International Monetary Fund, Inter-American Institute for Cooperation on Agriculture, World Trade Organization, and Organization of Economic Cooperation and Development	Food and Agricultural Organization, World Food Program, World Bank, International Monetary Fund, World Trade Organization, Inter-American Institute for Cooperation and Development, and regional development banks	n/a
State and local gov'ts and private sector concerns	State depts. of agriculture, State/Regional world trade centers, cooperators, trade associations and academia	Private Voluntary Organizations (PVOs), academia, State Depts. of Agriculture, State/Regional world trade centers, cooperators, and trade associations.	PVOs, State depts. of agriculture, State/Regional world trade centers, cooperators, trade associations, and academia (e.g., stakeholder/partner consultations on strategic plan and customer surveys)

Mission

FAS serves U.S. agriculture's international interests by expanding export opportunities for U.S. agricultural, fish, and forest products and promoting world food security.

This mission is accomplished by partnering with other USDA and Federal agencies, international organizations, state and local governments, and the U.S. private sector to level the playing field for U.S. agricultural producers and exporters in the global marketplace and ensure a safe, nutritious, and reliable food supply to consumers worldwide.

Table 2: FAS Linkages to USDA Strategic Plan

USDA Goal/Objective:	FAS Goal/Objective:
1.2 Open, expand, and maintain global market opportunities for agricultural producers.	1.1 Expand foreign market access for U.S. exporters of agricultural, fish, and forest products. 1.2 Maintain and expand foreign market development, promotion, and outreach activities to U.S. exporters and foreign buyers. 1.3 Maintain foreign market intelligence services for U.S. agricultural services. 1.4 Focus financial assistance programs to meet evolving market development needs.
2.2 Reduce the incidence of food borne illness and ensure that commercial supplies are safe and wholesome.	2.3 Promote activities that highlight U.S. food safety standards and the use of biotechnology to ensure a safe, nutritious food supply.
2.5 Enhance world food security and assist in the reduction of world hunger.	2.1 Organize activities that help meet international food security challenges and support sustainable agricultural development internationally. 2.2 Administer food aid and other assistance programs to meet international food security challenges and U.S. Government commitments.
Management Initiatives Promote effective customer service and efficient program delivery.	Management Initiatives 1. Improve program delivery of customer service through strategic planning. 2. Enhance workforce effectiveness by eliminating barriers to performance.

Goals

FAS has two goals: (1) expand export opportunities for U.S. agricultural, fish, and forest products, and (2) promote world food security. Management initiatives outlined in this strategic plan are critical to achieving these goals.

.....

Goal 1

Expand export opportunities for U.S. agricultural, fish, and forest products.

Changes in Federal farm policy with passage of the FAIR Act of 1996 make it clear that growth in income for farming and ranching operations of all sizes is increasingly dependent on market expansion and export growth. FAS takes the lead within the Department to protect and strengthen the long-term competitive position of U.S. agricultural, fish, and forest products in foreign markets. It accomplishes this goal through trade agreements; market development, promotion, and outreach; country and commodity market intelligence collection, analysis, and dissemination; and international financial assistance programs.

■ Outcome 1

Level playing field for U.S. exporters and producers in the global marketplace.

The outcome measures for the following objectives relating to exports supported and the multiplier effect on national and rural incomes and jobs are based on research and procedures established and approved by the Trade Promotion Coordinating Committee (TPCC) and used in preparation of the annual National Export Strategy report submitted to the Congress.

■ Legislative Mandates

Agricultural Trade Act of 1978, as amended and Food, Agriculture, Conservation, and Trade Act of 1990, as amended

■ Objective 1.1

Expand foreign market access for U.S. exporters of agricultural, fish, and forest products.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Monitor compliance with trade agreements.
- Coordinated through the inter-agency Trade Policy Staff Committee, pursue trade liberalization through bilateral agreements, regional free trade agreements, and the next round of multilateral trade negotiations.
- Encourage the use of sound science in addressing sanitary and phytosanitary (SPS) issues
- Administer import management programs and antidumping and countervailing duty cases.

Performance Measures

	Baseline	Target
• Number of trade issues addressed through bilateral approach	100	150
• Number of trade issues addressed through multilateral approach	384	600
• Number of SPS issues resolved (bilateral/multilateral approaches)	60	75
• Impact of implementing trade agreements on —		
U.S. agricultural exports supported (\$ billion)	\$2.0	\$2.5
Multiplier effect on U.S. national economy (\$ billion)	\$4.8	\$6.0
Multiplier effect on U.S. rural communities(\$ billion)	\$1.6	\$2.0
Multiplier effect on U.S. national employment (jobs)	34,600	43,250

■ Objective 1.2

Focus and expand foreign market development, promotion, and outreach activities to U.S. exporters and foreign buyers.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Strengthen foreign market development and promotion efforts by increasing share of overseas activities carried out in markets identified as priorities by Foreign Market Development (FMD) and Market Access Program (MAP) planning processes.
- Focus on emerging markets while protecting hard-won gains in market share in mature markets.
- Increase domestic awareness of export opportunities, export programs, and overseas market intelligence, with special emphasis on small and new-to-export agribusiness firms.
- Introduce potential new international buyers to U.S. products and exporters through U.S. and overseas training, marketing seminars, and agribusiness opportunity missions.

Performance Measures

	Baseline	Target
• Number of companies assisted in establishing marketing and distribution channel contacts through FMD and MAP programs	1,580	2,000
• Number of new foreign buyers introduced to U.S. agricultural, fish, and forest products through FMD and MAP programs	1,000	1,500
• Number of organizations working in partnership with FAS in carrying out export outreach activities	30	60
• Number of U.S. companies exporting agricultural products	7,000	14,000
• Impact of marketing and outreach activities on —		
U.S. agricultural exports supported (\$billion)	\$5.0	\$5.5

Multiplier effect on U.S. national economy (\$billion)	\$12.0	\$13.2
Multiplier effect on U.S. rural communities (\$billion)	\$4.0	\$4.4
Multiplier effect on U.S. national employment (jobs)	86,500	96,150

■ Objective 1.3

Maintain foreign market intelligence services for U.S. agricultural interests.

In order for food prices to reflect demand and supply, the first and most basic economic principle must be met: to ensure that accurate, timely, and unbiased estimates of production, supply, trade and use are widely distributed to both sellers and buyers. FAS' agricultural market intelligence is fundamental to ensuring a reliable, fair, and uncorrupted global pricing system for U.S. agricultural producers.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Collect, analyze, and disseminate vital market intelligence information that is not adequately conducted by other sources and that serves a broad domestic U.S. customer base.
- Support USDA program, regulatory, and policy making activities related to world agricultural situation and outlook.

Performance Measures

	Baseline	Target
• Forecasting accuracy of world agricultural production, supply and demand estimates (% difference between February and final estimates)		
World agricultural exports	4.08%	4.00%
U.S. agricultural exports	6.22%	6.00%
Foreign crop production	1.26%	1.25%

■ Objective 1.4

Focus financial assistance programs to meet evolving foreign market development needs.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Improve analytical process to focus appropriate FAS financial assistance program tools on market development needs as identified by overall FAS resource allocation strategy.
- Increase program flexibility to fully use new statutory authority allowing export subsidy programs to be used for market development.
- Expand and diversify outreach activities to develop better financial tools which address market failures and changing financial market dynamics.

Performance Measures

	Baseline	Target
• Number of countries financially analyzed for GSM-102/103 creditworthiness	81	100
• Percentage use of GSM-102/103 announced credit guarantees	70%	80%
• Impact of GSM programs on —		
U.S. agricultural exports supported (\$billion)	\$3.4	\$4.4
Multiplier effect on U.S. national economy (\$billion)	\$8.2	\$10.6
Multiplier effect on U.S. rural economy (\$billion)	\$2.7	\$3.5
Multiplier effect on U.S. national employments (jobs)	58,820	76,120

■ Key Factors Affecting Goal 1 Achievement

Several factors may affect FAS' ability to achieve its goal of expanding export opportunities. These include budgetary constraints; weather; foreign exchange fluctuations; political instability that may undermine demand in key importing countries; trade barriers; and the marketing practices of foreign competitors. Additionally, potential conflicting goals and/or reductions in resources of other USDA and Federal agencies, and multilateral or private sector organizations with which we work in partnership and cooperation could have a profound impact on our ability to fulfill stated objectives.

* * * * *

Goal 2**Promote world food security.**

FAS will continue to participate in foreign food aid, technical assistance, research, and economic development activities to support the long-term goal of reducing by half the number of undernourished people worldwide by the year 2015. FAS will contribute to this goal by working in partnership with other public and private sector organizations to help build stable and more prosperous economies through the sustainable management of natural resources. While helping developing countries feed their people, these activities also provide long-term benefits to the U.S. economy by stimulating foreign demand for U.S. agricultural, fish, and forest products through their introduction to consumers in developing countries.

■ Outcome 2

Safe, nutritious and reliable food supply for consumers worldwide.

FAS will accomplish this goal by providing administrative or professional support under contract for agencies that have the goal of food security through economic development.

■ Legislative Mandates

Agricultural Trade Act of 1978, as amended; Agricultural Trade Development and Assistance Act of 1954, as amended; Food for Progress Act of 1985; Section 416(b) of the Agricultural Act of 1949; and National Agricultural Research, Extension and Teaching Policy Act of 1977, Section 1458(a).

■ Objective 2.1

Organize activities that help meet international food security challenges and support sustainable agricultural development internationally.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Manage USDA's participation in various international fora in support of agricultural activities.
- Provide administrative support for USDA participation in international, regional, and specialized organizations that focus on issues related to national and global food security.
- Implement international research, technical assistance, and training activities to enhance agricultural development and conservation of natural resources.

Performance Measures

	Baseline	Target
• Number of research projects and technical assistance activities funded to build sustainable markets	250	300
• Number of developing countries where we have provided technical assistance, training, and research activities	90	100
• Number of research, technical assistance, and training activities to enhance agricultural development	1,087	1,300

■ Objective 2.2

Administer food aid and other assistance programs to meet international food security challenges and U.S. Government commitments.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Use P.L. 480 and Food for Progress programs to meet humanitarian assistance needs and promote sustainable long-term economic development.
- Use Emerging Markets (EMO) program funding to increase and diversify U.S. agricultural exports to lower income countries that offer long-term high U.S. export growth potential.

Performance Measures

	Baseline	Target
• Percent of Food for Progress resources supporting economic growth activities	70%	80%
• Percent of Emerging Markets projects funded to create/improve market opportunities in targeted countries	60%	95%
• Number of research and technical assistance projects initiated using P.L. 480 foreign currencies	3	10

• Impact of P.L. 480, Title I program on —		
U.S. agricultural exports supported (\$million)	\$229	\$149
Multiplier effect on U.S. national economy (\$million)	\$550	\$358
Multiplier effect on U.S. rural economy (\$million)	\$183	\$119

■ **Objective 2.3**

Promote research activities that highlight U.S. food safety standards and use of biotechnology to ensure a safe, nutritious food supply.

Time Frame for Completion

Ongoing activities, 1997-2002.

Strategies for Achieving the Objective

- Promote research and technical assistance activities which address food safety and nutrition issues.
- Train foreign officials on U.S. food safety standards.
- Champion and educate decision makers and key influencers on use of food safety training seminars and biotechnology to combat world hunger and malnutrition.

Performance Measures

	Baseline	Target
• Number of research activities which encourage use of sound science in resolution of SPS issues	50	100
• Number of foreign participants trained in use of food safety standards	85	200
• Number of training programs initiated on use of food safety and biotechnology to combat world hunger	0	10

■ **Key Factors Affecting Goal 2 Achievement**

Factors which could affect FAS in meeting its goal of helping to improve world food security include budgetary constraints; U.S. crop shortfalls; and reductions in resources of other public and private sector organizations with which FAS works in cooperation to achieve this national goal.

Management Initiatives

FAS is committed to improving its organizational efficiency and the productivity and diversity of its workforce in the delivery of services to customers. This commitment is driven by recently enacted Federal statutes, including the Government Performance and Results Act (GPRA), Chief Financial Officers Act (CFO), Information Technology Management Reform Act (ITMRA), Government Management Reform Act (GMRA), Presidential Executive Orders on Customer Service, and Partnership Councils mandated by the National Performance Review. FAS' overall management initiative strategy is to align GPRA requirements with other management processes (e.g., budget and technology planning) and systems to improve program delivery of customer services. Key benchmarks for success will be criteria contained in the President's Award for Quality Management. Successful implementation of these initiatives is critical to achieving FAS' strategic goals and objectives since they focus and align agency-wide activities and processes.



Legislative Mandates

Government Performance and Results Act; Information Technology Management Reform Act; Chief Financial Officers Act; and Government Management Reform Act.

■ Management Initiative 1

Improve program delivery of customer services through strategic planning.

FAS will improve delivery of customer service by implementing strategic planning as mandated by GPRA at all levels of the organization. This includes developing and implementing strategic and tactical planning processes, and evaluating and reporting on results on an annual basis. FAS also will develop a standard methodology to guide decisions on how overseas offices are staffed. Lastly, FAS plans to engineer business processes to justify the use of appropriate enabling technologies that support cross-cutting functions, as mandated by ITMRA, and integrate the 5-year information technology strategic planning process with GPRA.

Outcome 1

Cost-effective and efficient allocation of human, program, and technology resources.

Time Frame for Completion

Ongoing activities, 1997-2002

Strategies for Achieving the Management Initiative

- Develop, implement, and evaluate FAS strategic plan, annual performance plans, and annual performance reports mandated by the GPRA.
- Develop and integrate Country Promotion Plans into agency-wide resource allocation process.
- Develop and document methodology to make decisions on how overseas offices are staffed.
- Develop and implement business processes following guidance from Office of Management and Budget (OMB), General Accounting Office (GAO), and ITMRA to justify use of appropriate enabling technologies that support cross-cutting functions.
- Develop and implement 5-year information technology strategic planning process and integrate it with the GPRA strategic and annual performance planning processes.
- Jointly implement USDA strategic decision making process with APHIS, ARS, Economic Research Service (ERS), Grain Inspection, Packers and Stockyards Administration (GIPSA), FSIS, and Office of the General Council (OGC) to improve USDA representation on SPS and other international trade policy issues.

Performance Measures

	Baseline	Target
• Create and modify strategic plans in out-years as necessary	Yes	Yes
• Create and modify annual performance plans in out-years as necessary	Yes	Yes
• Evaluate results of annual performance plans and report in annual performance reports beginning in fiscal year 1999	Yes	Yes
• Develop and integrate country promotion plans into FAS-wide resource allocation process	n/a	Yes

- | | | |
|---|-----|-----|
| • Implement annual global review of overseas staffing patterns based on standardized methodological approach | Yes | Yes |
| • Develop 5-year information resource management strategic plan mandated by ITMRA and implement funded initiatives | Yes | Yes |
| • Work with other USDA agencies involved in SPS and other international trade policy issues to implement USDA strategic decision making process to improve USDA representation in national and international fora | Yes | n/a |

■ Management Initiative 2

Enhance workforce effectiveness by eliminating barriers to performance.

FAS' overall goal in this area is to improve the effectiveness of every employee and manager by eliminating barriers to effective performance (e.g., resolution of union/management issues, enhancing organizational and individual skills development, and making greater use of the cultural diversity of the organization).

Outcome 2

More productive workforce that delivers timely and cost-effective customer services.

Presidential Orders

National Performance Review; Customer Service Initiative; and Partnership Councils.

Time Frame for Completion

Ongoing activities, 1997-2002

Strategies for Achieving the Management Initiative

- Train workforce to continually improve work processes and provide better customer service.
- Hire a diverse workforce to improve effectiveness of FAS' delivery of customer services.
- Improve long-term effectiveness of FAS administrative processes using management techniques mandated in Presidential Executive Orders.
- Implement a comprehensive customer service program as mandated by Presidential Executive Order 12862 (dated 9/11/93 and expanded by Presidential Memorandum dated 3/22/95).
- Institutionalize the Secretary of Agriculture's policy on Civil Rights and Equal Employment Opportunity (EEO).

Performance Measures

- | | Baseline | Target |
|---|----------|--------|
| • Training initiatives developed and implemented for customer service, management skills, support staff skills, and workforce diversity | n/a | Yes |

• Customer satisfaction surveys/focus group interviews implemented for key customers and stakeholders of FAS services	n/a	Yes
• Maintain active relationships and ensure recruitment of students from Hispanic Serving Institutions, 1890 schools, Historically Black Colleges and Universities, and 1994 Land Grant Institutions	Yes	Yes
• End-user evaluation of overseas posts' performance (Rating scale: 1-10)	8.1	8.5

Key Factors Affecting Achievement of Management Initiatives

Factors which may affect FAS' success in fully implementing its management initiatives include budgetary constraints; Departmental realignments and consolidations; and mandated workforce reductions.

Linkage of Goals to Annual Performance Plan

Annual performance measures were derived directly from the strategic plan after an analysis of which strategies, outputs, and outcomes were needed to achieve the strategic goals. Goals, objectives, and performance measures in the strategic plan link directly to goals, objectives, and performance measures in the annual performance plan for the next 2 fiscal years.

FAS has two management initiatives which focus on promoting effective customer service and efficient program delivery. The first involves developing, integrating, and implementing strategic planning processes at every level of the organization and the second involves enhancing workforce effectiveness by removing barriers to performance. Each management initiative has several strategies, which link to annual performance measures for the next 2 fiscal years.

Goal 1 is linked to the following budget program activities: market access; market development, promotion, and outreach; market intelligence, and financial marketing assistance. Goal 2 is linked to only one program activity, long-term market and infrastructure development.

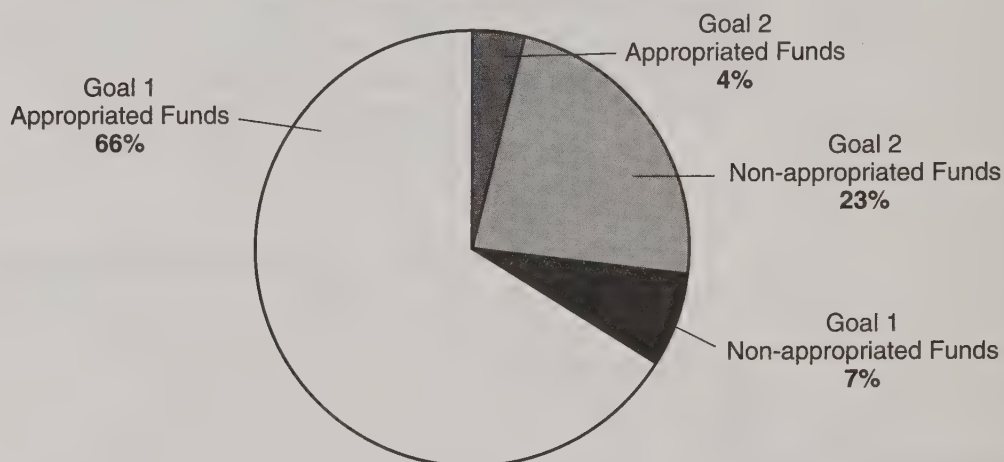
Resources Needed

Financial support for adopting enabling technologies and focusing on skills and training needed in the evolving workplace will be needed to facilitate maximum use of human resources. It also will be necessary to maintain all human and program resources dedicated to addressing the strategies outlined in the stated objectives to attain performance targets. The FAS Annual Performance Plan will serve as the vehicle for projecting changes in annual personnel, budget, and information technology resource requirements.



Foreign Agricultural Service

Resource Distribution by Strategic Goals



Goal 1 Expand export opportunities for U.S. agriculture, fish, and forestry products

Goal 2 Promote world food security

Program Evaluation

An agency-wide division/staff level program evaluation was conducted by the FAS Director of Strategic Operations to validate and refine the strategic plan. To help ensure that performance goals are measured objectively, future annual performance reviews will be coordinated by the Director of Strategic Operations, and will include peer reviews across FAS program areas. An annual evaluation of GPRA goals, objectives, and organizational processes will be carried out to assess their relevance and determine necessary adjustments. This information will drive changes in resource allocations, future FAS budget requests, and modifications to subsequent strategic and annual performance plans.

Methods to quantify performance measures cited in this strategic plan include electronic tracking systems, project and program evaluations, periodic surveys of end-users, and procedures established and approved by the U.S. Government's Inter-Agency Trade Promotion Coordinating Committee in preparing the annual National Export Strategy report submitted to the President and Congress. National and rural economic impacts are estimated by combining TPCC-estimated export impacts with trade multipliers associated with direct and indirect effects of agricultural exports. These are published by USDA's Economic Research Service using results from a 417-sector input-output model of the U.S. economy.

Role of External Entities

The FAS Strategic Plan reflects input from agency employees and external entities that may be affected by the plan under guidance from the Office of the Under Secretary for Farm and Foreign Agricultural Services. The FAS Strategic Plan was developed by Federal employees.

Risk Management Agency (RMA) Strategic Plan

Table of Contents

Introduction	2-49
Key External Factors	2-50
Mission	2-51
Goals	2-51
Management Initiatives	2-55
Linkage of Goals to Annual Performance Plan	2-59
Resources Needed	2-60
Program Evaluation	2-61
Role of External Entities	2-61



RMA

Introduction

The Risk Management Agency's (RMA) strategic plan, required by the Government Performance and Results Act (GPRA), provides the framework to improve the performance of our program and operations. A cross-section of RMA employees developed this plan as an integrated approach to the planning, implementation, execution, and evaluation of RMA's activities to deliver quality products and services to the Agency's customers. This integrated process provides a clear direction for the Agency with an approach that supports key decisions for the management of all RMA activities. This is a working document that will be modified to incorporate new ways of doing business to meet the continuing challenges of change.

The RMA was established under provisions of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), Public Law (P.L.) 104-127, signed April 4, 1996. This act amended the Department of Agriculture Reorganization Act of 1994, P.L. 103-354, Title II, to require the Secretary to establish within the Department an independent office responsible for supervision of the Federal Crop Insurance Corporation (FCIC), administration and oversight of programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et. seq.), any pilot or other programs involving revenue insurance, risk management education, risk management savings accounts, or the use of the futures market to manage risk and support farm income that may be established under the Federal Crop Insurance Act or other law; and such other programs the Secretary considers appropriate.

RMA is committed to transforming the crop insurance program into a broad-based safety net for producers to assure that American agriculture remains solid, solvent, and globally competitive into the 21st century. This safety net for producers consists of many public and private alternatives designed to improve the economic stability of agriculture. RMA's portion of the safety net is supported by the products and/or tools mentioned above. The following paragraphs explain in more detail RMA's 3 principal products and/or tools.

(1) Federal Crop Insurance

The purpose of crop insurance is to provide an actuarially-sound risk management program for agricultural producers to protect against production losses due to unavoidable causes such as drought, excessive moisture, hail, wind, hurricane, tornado, lightning, insects, etc. Beginning in 1998, Federal crop insurance is available to producers solely through private insurance companies that market and provide full service, including claims processing, on crop insurance policies. These companies share the risk on such policies. The amount of risk they share is defined by a Standard Reinsurance Agreement. Under this agreement, they agree to deliver risk management insurance products to eligible entities under certain terms and conditions. They are responsible for all aspects of customer service and guarantee payment of premium to FCIC. In return, RMA reinsures the policies and provides a subsidy for administrative and operating expenses associated with delivering the insurance products and/or programs. This constitutes a joint effort between the Government and the private insurance industry.

Crop insurance is available through Catastrophic Coverage (CAT) or varying levels of Additional Coverage. Producers can choose to obtain CAT, which guarantees the farmer 50 percent of his or her average yield at 60 percent of the expected market price. The premiums are entirely subsidized by the Government while the producer pays a processing fee of \$50. The establishment of CAT coverage removed the need for ad hoc disaster payments.

Additional Coverage is available to producers who wish to insure crops above the CAT level of coverage. Policyholders can elect to be paid up to 100 percent of the

market price established by FCIC for each unit of production where their actual yield is less than their guarantee. Currently, up to 75 percent of each individual's yield can be insured. Premium rates for Additional Coverage depend on the level of protection selected and vary from crop to crop and county to county.

FCIC has made a significant impact on the economic stability of producers. During 1986-95, Federal crop insurance supported farm income by providing \$10.7 billion in payments to producers for losses on insured crops. For example, in 1996, producers in North Dakota were provided approximately \$58.5 million in indemnity payments as a result of the extensive flood damage. Producers in North Carolina and Virginia were provided approximately \$90.2 million in indemnity payments as a result of Hurricanes Bertha and Fran. Without the protection provided by Federal crop insurance, economic losses of American farmers would have been far greater.

(2) Revenue Insurance

As mandated by the 1996 Act, a revenue insurance program is available under which producers of wheat, certain feedgrains, soybeans, and cotton are protected against loss of revenue stemming from either low prices, poor yields, or a combination of both. This program seeks to help ensure a certain level of annual income. Revenue insurance is being offered through private insurance companies and includes a minimum level of coverage that is an alternative to CAT.

(3) Risk Management Education (RME)

RMA is developing a strategy to provide education to producers in managing the financial risks inherent in producing and marketing agricultural commodities. As part of this education initiative, RMA currently is establishing the partnerships with the private insurance industry, commodity groups, Cooperative State Research, Education and Extension Service (CSREES), Commodity Futures Trading Commission (CFTC), and the Economic Research Service (ERS) to deliver this program to the agricultural community. RMA is also developing educational materials that will assist producers in the knowledgeable use of forward contracting, commodity futures and options contracts, crop insurance, and other risk management alternatives.

Additionally, RMA is in the developmental stages of Options Pilot Programs. Under the provisions of the 1996 Act, RMA will conduct a pilot program to determine if futures or options contracts can provide a meaningful reduction in market risk to producers. The Commodity Futures Trading Commission (CFTC) will play a vital role in assisting RMA evaluate the instruments which are proposed to be used in the Options Pilot Program. RMA will also work with individual commodity futures exchanges on proposals they put forward. Currently, research is being conducted on an options-based pilot program that would offer dairy producers a means of managing their price risk. RMA is also evaluating the feasibility of an options pilot program for producers of a number of other commodities.

Key External Factors

Several key factors could significantly affect progress in RMA's efforts to achieve its goal. They include:

- Changing economic or environmental conditions could lead to increased or decreased participation.
- Producers may assume that the Government will provide assistance in the event of

disasters, as it has through former disaster programs, leading to a reluctance to utilize risk management options.

- Producers unfamiliar with new products may be uncomfortable using tools other than traditional crop insurance.
- Insufficient funding would reduce RMA's ability to deliver the risk management program.

In addition, entities identified in the Partnerships and Coordination sections of this plan are vital to RMA achieving its goal. The development, implementation or delivery of risk management tools would be impeded if one or more of these partners becomes unable to provide a needed service or product. For example, if a private insurance company no longer participates in the delivery of Federal crop insurance, the re-allocation of policies could cause a disruption in service to the customers.

Mission

The Risk Management Agency will provide and support cost-effective means of managing risk for agricultural producers in order to improve the economic stability of agriculture.

Achievement of the Agency's mission will be judged by the extent to which the needs of agricultural producers are met in times of disasters or other uncontrollable conditions which threaten the economic stability of American agriculture.

Goals

Goal 1

To strengthen the safety net for agricultural producers through sound risk management programs and education.

RMA develops, manages, and ensures delivery of a variety of products for agricultural producers. These products can help producers protect themselves from yield risks, market risks, or both. RMA's new legislative mandates for an options-based pilot program, revenue insurance, and a risk management education initiative will further contribute to the producers' ability to protect their financial stability. Together, these elements comprise an important component of the safety net for agricultural producers. Therefore, RMA has established a single goal for the Agency providing a solid foundation and direction for the future. This goal is directly linked to the Secretary's Overview on Goal 1.1, "Enhance the economic safety net for farmers and ranchers."

RMA has identified key strategies that will support the achievement of our goal and are identified under each objective and management initiative documented in this plan. They are considered ongoing activities for the 1997 through 2002 Fiscal Year (FY) time frame.

RMA's portion of the safety net includes a wide variety of public and private risk management alternatives that are designed to protect the agricultural producer from economic disaster, while being cognizant of environmental, social, and other policy goals of USDA. RMA's success in strengthening the safety net will be measured through the accomplishment of the following objectives.

■ Objective 1.1

Producers have economically-sound risk management tools available to meet their needs.

Producers' needs are continuously being assessed by RMA and its private sector partners to ensure new and innovative risk management alternatives are available.

Strategies for Achieving the Objective

- Assess needs and interest for risk management tools for producers of specific agricultural commodities.
- Research and implement new tools such as revenue coverage products, options-based products, risk management savings accounts, and other non-traditional risk management products.
- Maintain and continuously improve existing products.
- Evaluate products and take appropriate actions.
- Evaluate and improve process for private companies submitting and gaining approval/disapproval of alternative products.

Performance Measures

The following outcomes assess the effectiveness of RMA's contribution to the safety net for agricultural producers through the utilization of risk management tools.

- Percent covered of gross agricultural economic product value for those agricultural products that RMA is authorized to offer coverage (macro level indicator depicting Risk Management tools contribution to the safety net).
Baseline: 5-year average.
Target: Improve baseline.
- Percent of net crop land acres insured to net crop land acres available for insurance (macro level indicator depicting the Federal crop insurance contribution to safety net).
Baseline: 68.4% for crop year 1997.
Target: 73.3% for crop year 2002.
- Customer satisfaction as measured through survey designed around the RMA Customer Service Plan (macro level indicator depicting RMA's ability to meet customer expectations).
Baseline: Average rating based on survey (new measure).
Target: Improve baseline (new measure).

Partnerships and Coordination

- The RMA product distribution system relies on the private sector. RMA works closely with our private sector partners ensuring quality service to customers.
- The ERS conducts and publishes independent analyses of risk management issues and current and emerging risk management tools and strategies. Relevant results of these analyses are incorporated into RMA's risk management material for availability to producers.
- The USDA Chief Economist will provide RMA with expert review and opinion on the economic impacts of program expansion and new products with the viewpoint of the Secretary's Senior Advisors.
- FSA provides RMA with data on acreage determination and verification services for farm crops.

- The National Agricultural Statistics Service (NASS) provides RMA with a database of yield and other agronomic data useful in developing actuarially-sound crop insurance programs. The Group Risk Plan uses NASS data exclusively to develop coverages and premium rates and calculate indemnities. NASS data are also used to project high-indemnity areas during catastrophic loss periods.
- The CSREES provides RMA with a network of knowledgeable agronomic and economic researchers who offer insight into certain aspects of crop insurance program design. They also provide RMA with analyses of the crop insurance program, proposals for modifying the crop insurance program, and potential alternatives for improving the crop insurance program as a risk management tool. Many of these researchers also serve as producer resources in their area of expertise. Some of these researchers participate in the FCIC/Extension Advisory Council by contributing analyses and peer reviews of existing and proposed crop insurance concepts and designs.
- The CFTC will provide RMA with reviews and analyses of revenue insurance products for compliance with CFTC legislative responsibilities. CFTC will also evaluate the instruments which are proposed to be used in the Options Pilot Program and will be actively involved in the Coffee, Sugar and Cocoa Exchange's effort to create a new cash settled fluid milk futures/option.

■ Objective 1.2

Increase the agricultural community's awareness and effective utilization of risk management alternatives.

Through partnerships, the agricultural community will have available a comprehensive risk management education and outreach program. RMA will provide leadership, funding, and a strategy for institutionalizing this risk management program.

Strategies for Achieving the Objective

1. Enhance process to identify and reach underserved areas, producers, and members of the agricultural community (e.g. farm publications, education courses, etc.).
2. Prepare and deliver RME products.

Performance Measures

The following outcomes will assess the effectiveness of RMA's risk management education efforts by measuring the awareness and utilization of risk management alternatives by the agricultural community.

- Percent of producers surveyed that are aware of risk management alternatives.
Baseline: Average based on survey (new program).
Target: Improve baseline.
- Percent of producers surveyed that utilize risk management alternatives.
Baseline: Average based on survey (new program).
Target: Improve baseline.

Partnerships and Coordination

- The CSREES' leadership is serving as one member of a three-member RME Steering Committee chaired by RMA and organized by the Secretary's Risk Management Education Initiative involving public and private sector organizations involved in agricultural risk management. CSREES' State Extension

Specialists will contribute to the development and dissemination of RME materials to producers and agribusiness through the CSREES' network of State Cooperative Extension Services located in 1862, 1890 and 1994 Land-Grant colleges. These specialists will also conduct research into producer and agribusiness educational needs and achievements.

- The CFTC's leadership will serve as one member of the three-member RME Steering Committee. CFTC will contribute to RMA's educational material with their inventory of price risk management tools that can be combined with RMA products. CFTC will maintain research and information programs to assist in the development of educational and other informational material regarding futures trading for dissemination and use among producers, market users and the general public.
- The ERS will conduct and publish independent analyses of producers' risk management issues and current and emerging risk management tools. Relevant results of these analyses may be incorporated into RMA's risk management material and made available to producers.

■ Objective 1.3

Improve program integrity and protect taxpayers' funds.

This objective is achieved by conducting internal and external reviews, investigations, program evaluations, and audits to address inherent program vulnerabilities, deter abuse, and minimize program costs. This will be done in coordination with private sector delivery partners and oversight bodies.

Strategies for Achieving the Objective

1. Develop and maintain a system to continually evaluate and improve internal and external management controls.
2. Review, improve, and maintain performance standards for delivery partners.
3. Implement a process to ensure evaluation of financial performance measures of various reinsurance arrangements.
4. Implement pattern recognition system (state-of-the-art technology) into compliance methodology.

Performance Measures

The following outcomes identify RMA's method for measuring the reduction in program vulnerabilities and costs.

- Total error rate (total of misrepresentation, program vulnerabilities, and unintentional errors).
Baseline: 8.7% for the 1991 crop year (will evolve into a 3-year average).
Target: Improve over baseline.
- Rate of erroneous payments (misrepresentation).
Baseline: 1997 crop year average (new measure that will evolve into a 3-year average).
Target: Improve over baseline.
- Rate of program vulnerability.
Baseline: 1997 crop year average (new measure that will evolve into a 3-year average).
Target: Improve over baseline.

- Rate of program delivery errors (unintentional errors).
Baseline: 1997 crop year average (new measure that will evolve into a 3-year average).
Target: Improve over baseline.

Partnerships and Coordination

- RMA conducts routine program and procedural reviews with delivery partners to minimize vulnerabilities and reduce costs.
- RMA's compliance efforts will be working together and in coordination with the Office of Inspector General (OIG) through their criminal investigation reports, subpoena power, audit and statistical expertise.
- RMA performs management control reviews and follow-up actions on audits which will be contributing to the Office of the Chief Financial Officer's report on the Federal Managers' Financial Integrity Act of 1982.
- The Office of the General Counsel will receive RMA investigative and litigation support for Board of Contract Appeals. They provide expert witnesses in cases and legal opinions and interpretations on a variety of matters.
- The General Accounting Office (GAO) will be providing reviews of RMA program management and operations for Congressional committees. GAO will also provide evaluations of RMA program participants.
- RMA is working with the Department of Justice to increase use of the Affirmative Civil Enforcement process to enhance program integrity.

Management Initiatives

Management initiatives lay the foundation to create an organizational environment and climate which promotes the strategic vision at all levels of the organization. They demonstrate value through contributions of the workforce; focus efforts to eradicate discrimination in both program delivery and employment; improve internal and external communication; provide technological support for Agency program and business requirements; and incorporate coverage of proven environmentally-sound practices.

RMA recognizes the need to aggressively address its systems and processes in order to become more efficient and prepare to meet the challenges of the future. For this reason these initiatives are vital to the accomplishment of RMA's mission, goal, and objectives.

The three management initiatives established highlight strategies which will enhance our ability to meet Departmental and legislative requirements, provide customer service, and practice good management.

■ Management Initiative 1

Enhance the organizational infrastructure.

To support our program requirements, RMA will be working to create and sustain a diverse and cohesive organizational culture. This organizational culture will promote teamwork, recognize and develop potential, and value contributions by individual employees. This management initiative is linked to the Secretary's Overview through 2 management initiatives. They are Management Initiatives 1, "Ensure that all customers and employees are treated fairly and equitably, with dignity and respect," and Management Initiative 2, "Improve customer service by streamlining and restructuring county offices." While RMA does not have a county based structure, we are committed to improving service to our customers.

Strategies for Achieving the Management Initiative

- Negotiate and execute an annual Service Agreement and/or contract for Agency administrative services.
- Establish means to collect, analyze, and report on RMA strategic plan performance measures.
- Define processes and conduct Business Process Reengineering (BPR).
- Implement organizational design concepts that maximize mission effectiveness.
- Review, modify, and implement an employee development program.
- Implement an equitable and innovative rewards program.
- Implement an effective employee performance evaluation process.
- Implement an employee satisfaction survey and evaluation process.
- Implement an automated employees' skills bank for use in appropriately staffing agency programs and projects.
- Fully implement the individual development planning process.
- Create and sustain effective communication systems and processes.
- Create and improve existing processes of distributing information within RMA.
- Create and improve existing processes and systems of information exchange with external customers.
- Establish a program for evaluation of all communications products issued.
- Prepare and implement an annual communications plan.

Performance Measures

The outcome for this initiative is general in nature and therefore difficult to directly quantify. The following measure assesses the quality of our infrastructure elements.

- Assessment of the degree to which the organizational infrastructure supports the program requirements of RMA.
Baseline: Average rating based on survey.
Target: Improve baseline.
- RMA maintains an awareness that improvements to Agency communications are necessary. As RMA determines the necessary improvements to our information development and distribution processes, the Agency's implementation approach will allow formulation of meaningful outcome measures that will be established during FY 1998.

Partnerships and Coordination

- Human Resources Division and Management Services Division of the Farm Service Agency (FSA) coordinate employee and management development opportunities, long-term training programs, incentive awards programs and other programs to develop teamwork skill and enhance the potential of individual employees.
- RMA is working with local unions to improve and coordinate communications and processes that facilitate improved and effective labor/management partnerships.
- CSREES' State Extension Specialists serving on the FCIC/Extension Advisory Council support the development and dissemination of RME materials to producers and agribusiness through the CSREES network of State Cooperative Extension Services located in 1862, 1890 and 1994 Land-Grant colleges.

- RMA is working closely with other Departmental entities on efforts to enhance and coordinate the communications systems and processes that facilitate improved and effective systems for both internal and external customers.
- The Office of Communications provides graphic design and duplication services important to RMA.

■ Management Initiative 2

Integrate Civil Rights as part of all RMA activities.

To support this Civil Rights initiative, RMA will increase service to underserved areas of the agricultural community and create an environment in which all individuals are treated fairly within RMA and in all facets of our delivery system. Implementation of this initiative will be in conformance with applicable Federal and Department-wide standards and plans (e.g., Civil Rights Implementation Plan, Affirmative Employment Plan, Outreach Plan). This management initiative is directly linked to the Secretary's Overview on Management Initiative 1, "Ensure that all customers and employees are treated fairly and equitably, with dignity and respect."

Strategies for Achieving the Management Initiative

1. Ensure that policies and procedures are in place such that all Civil Rights laws, rules, and regulations are followed.
2. Develop and implement a process to identify underserved areas of the agriculture community.
3. Coordinate RMA outreach efforts.
4. Encourage an environment in which all individuals are treated fairly, both within RMA and in all facets of our delivery system.
5. Establish a system for early detection and resolution of potential internal and external conflicts.
6. Identify and reduce barriers that prevent minority and small/limited-resource farmers from participating in RMA programs.
7. Work to achieve diversity ratios that are equivalent to those in the total labor force.

Performance Measures

To accomplish our Civil Rights initiative, RMA has established the following outcome measures.

- Participation levels compared to demographic profiles.
Baseline: To be determined in FY 1998.
Target: To be determined in FY 1998.
- Agency representation of women, minorities, and persons with disabilities in targeted grade levels and occupations.
Baseline: To be determined in FY 1998.
Target: To be determined in FY 1998.
- Fair treatment measured indirectly through Equal Employment Opportunity and Civil Rights complaint activity and resolution.
Baseline: To be determined in FY 1998.
Target: To be determined in FY 1998.

Partnerships and Coordination

- RMA will enter into a cooperative agreement with the Intertribal Agriculture Council to provide outreach activities to Native Americans and other producers. Other USDA agencies, including FSA, Natural Resources Conservation Service (NRCS), the Rural Development mission area, and the Forest Service, could participate in the agreement.
- RMA has established a partnership with the Federation of Southern Cooperatives to provide outreach and other RMA educational information to small and limited-resource farmers/ranchers in 18 Southeastern/Southwestern States. ERS is a partner in these activities.
- RMA will continue to work with 1862, 1890 and 1994 Land-Grant colleges and universities, and the Hispanic Association of Colleges and Universities to provide employment opportunities for students.
- RMA will implement recommendations of the Civil Rights Council and utilize a Union Partnership Council.

Legislative Mandate

The Civil Rights Act of 1964 requires agencies to eliminate discrimination in employment practices and program delivery systems.

■ Management Initiative 3

Technological hardware, software, and data elements support the program and business requirements of RMA.

RMA focuses on the best approach for managing and sharing information and data within the Agency, with other USDA agencies, and with private sector business partners through automated access to Agency programs. The desired outcomes are streamlined processes, reduction in the number of forms used to collect customer information, and better communications for service delivery and better program management. This management initiative is directly linked to the Secretary's Overview on Management Initiative 3, "Create a unified system of information technology management." Specific highlights of the Information Resources Management (IRM) plan include:

- Reengineer financial and program systems in cooperation with business partners.
- Replace obsolete systems with relational database structures in an open systems environment.
- Apply pattern recognition to compliance methodology.
- Introduce geospatial information interfaces.
- Complete year 2000 conversion.

Implementation of this initiative will be in accordance with applicable Department-wide standards and plans (e.g., Information Architecture).

Strategies for Achieving the Management Initiative

- Continue BPR on program and financial systems and implement.
- Migrate business applications from 3B2 (legacy system) to Sun Sparc 2000 (state-of-the-art system).
- Develop system requirements for application of pattern recognition to RMA program data.

- Develop Geographic Information Systems and applications of Global Positioning System technology in cooperation with other USDA and private sector partners.
- Complete conversion to year 2000 compliant systems.
- Continually identify customer needs and provide automated systems and reports to support those needs.
- Establish means to evaluate and improve RMA performance using graphics and new technology.
- Establish formal representation on Department and interagency technology working groups.
- Ensure users are trained within 4 weeks of new system introduction or modification.
- Develop and implement a program for evaluation of systems against user requirements.

Performance Measures

To support the technological infrastructure, RMA will measure the timeliness, accuracy, and reliability of program and financial information available to producers, delivery partners, and Departmental oversight personnel.

- Timeliness, accuracy, and reliability of data.

Baseline: To be determined in FY 1998.

Target: To be determined in FY 1998.

Partnerships and Coordination

RMA's current business systems are designed to integrate data from other USDA agencies, private insurance companies, and RMA sources to deliver information, drive calculations, and maintain financial controls for the FCIC. The Office of the Chief Information Officer provides guidelines on IRM planning and serves as the focal point for review and approval of RMA's major IRM expenditures. The systems utilize advanced systems architecture concepts, the National Information Technology Center, the National Finance Center, and a network of minicomputers and personal computers. Under a reimbursable agreement, the FSA provides administrative support services. The FSA Deputy Administrator for Management serves as the central coordinating organizational unit responsible for information technology architecture, standardization of data elements, interoperability of programs, security procedures, and data integrity.

Linkage of Goals to Annual Performance Plan

Federal crop insurance is an important element of the safety net and has historical data available to establish baselines. As other risk management products become available, they will be included for performance measurement in updates of the strategic plan. Measurements will be refined as more experience is gained.

A variety of output measures have been developed and are identified in the Agency's Annual Performance Plan. RMA has a number of traditional measures that are used as components for determining our outcomes related to the goal, objectives, and management initiatives in this strategic plan. For instance, the number of insurance plans available is a measure of the variety of risk management tools which can be used by producers to manage their risk. Measures such as the number of county crop programs, policies sold, and acreage covered indicate that producers accept the usefulness of RMA products as effective means to manage agricultural risks. These measures are indicators of success in reaching Objective 1.

Additional performance measures used in identifying annual progress for Objective 2. For example, the number of institutions offering risk management courses and the number of producers attending risk management training are leading indicators of the potential for producers to choose the most effective risk management tools to meet their individual needs.

The loss ratio of the insurance program provides a measure of the cost to the taxpayer in comparison to the premiums paid by producers for insurance coverage. Program vulnerabilities which result in high-indemnity payments increase the loss ratio. Objective 3 is intended to reduce these vulnerabilities and lower the loss ratio.

The management initiatives previously identified in this plan directly support achievement of the goal and objectives. They highlight strategies which will enhance our ability to meet the program needs of the agricultural producer. Plans are being established and analyses conducted to determine appropriate performance measures for these initiatives.

RMA's budget Program Activities are directly linked to the Agency's goal "To strengthen the safety net for agricultural producers through sound risk management programs and education."

Resources Needed

Achievement of RMA's mission, goal, and the corresponding objectives and management initiatives requires resources to cover the salaries and expenses of approximately 623 full-time-equivalent employees. Staff at the National headquarters office in Washington, DC, is needed to plan and coordinate the administration of the Agency. Staff at the Kansas City, MO, headquarters office is necessary to administer the development, implementation, maintenance, and evaluation of risk management products, as well as to provide training, technical assistance, and accounting. Staffs at 10 Regional Service Offices also provide program and underwriting services as well as training and technical assistance for the development, implementation, maintenance, and evaluation of risk management products. Staffs at 6 Compliance Field Offices provide oversight of insurance programs through compliance investigations, company reviews, and internal program reviews.

Future information technology systems must support the needs of RMA and the Department and provide for the sharing of information with producers, other agencies, private organizations, educational and scientific institutions, and the general public. Specifically, this will require upgrades to the SUN system which is RMA's primary information system and is gradually replacing the need to depend on the Kansas City Computer Center's information system. The end result of replacing this obsolete system will enable RMA to cut a portion of its operating costs. Funding will be required to upgrade the computer systems within the agency at the rate of approximately 30 percent each year to ensure that the Agency keeps up with technological breakthroughs and expanded information systems nationwide.

RMA also requires resources to address agency-wide reengineering of its core business processes driven by changing strategic goal and cost-reduction imperatives. As RMA completes its reengineering efforts, evaluations will continue ensuring effective and efficient organizational performance. Additionally, resources will be necessary to conduct surveys and to establish other means of measuring performance.

Due to the consolidation of administrative services, under the Farm and Foreign Agricultural Services mission area, resources are required to provide administrative services to RMA. This is currently handled through a reimbursable agreement with the FSA.

Resources will be required for administrative expense reimbursement, premium subsidy, and research and development reform costs. This includes funding for the Risk Management Education Program, outreach initiatives, actuarial consulting, revenue product research, modifications to RMA systems for new insurance product designs, the development of a new nursery program, and the development of the Dairy, Livestock, and/or any other new Options Pilot Programs.

Program Evaluation

A group was organized of participants from two unions, the FCIC Board of Directors, Senior-level Management, a cross-section of RMA employees expert in their respective program areas, plus the involvement and assistance of USDA oversight agencies. The group developed this plan as an integrated approach to the planning, implementation, and execution of RMA's activities.

RMA has established performance targets expressed as tangible, measurable points against which actual achievement will be compared. These performance targets, some of which are still under development, have been derived from the analysis of multiple and diverse reviews conducted by internal components of RMA, partner agencies, and the private sector.

Additionally, the Agency uses reviews conducted by the GAO and the USDA OIG to check its ability to achieve its goal and objectives. Agency Strategic and Implementation Planning and execution activities must be analyzed based on performance evaluation and process improvement recommendations derived from these reviews. RMA uses the results of these reviews to improve the effectiveness and efficiency of the Agency's programs and processes. RMA's internal and external reviews are identified in more detail throughout this plan.

RMA will be establishing Quarterly Reviews as part of its evaluation and continuous improvement process. These Quarterly Reviews are designed to identify Agency progress as it relates to our strategic and annual implementation planning activity. These reviews will provide objective and formal assessment of RMA's performance as it relates to the goal defined in this strategic plan.

RMA's efforts offer a cost-effective means of managing the producers' risk through a variety of management tools, thus improving the economic stability of agriculture. RMA uses its resources to establish these tools which are made available to producers through its private industry partners. The outcome is realized when producers take appropriate measures to avail themselves of the risk management tools. The program is successful when these products are used by the producers and they, in turn, become economically protected against the perils of production and price risk. This outcome is measured by the rate of producer participation in the available tools. RMA will survey customers to collect comments on their satisfaction with RMA products and program delivery. These comments will become inputs to RMA's continuous improvement process.

Role of External Entities

When RMA began development of this strategic plan, a representative selection of our internal and external customers was surveyed to assist us in identifying priorities and establishing elements of our plan. These customers included 16 insurance companies, 10 Congressional members, 55 RMA employees, 11 grower groups, and 175 producers. The information collected from this survey helped to identify our priorities and was used to establish the goal, objectives, and management initiatives contained herein. While inputs were received from multiple external sources, only federal employees were involved in the preparation of this plan.

RMA is planning to conduct a listening session, in the early part of FY 1998, to hear comments on this plan from our delivery partners, commodity groups, and Congressional staff. Valuable information gained from this session is expected to have an impact on the content of this plan.

Food, Nutrition and Consumer Services (FNCS) Mission Area Strategic Plan



Table of Contents

Introduction 3-3

Agencies' strategic plans

Center for Nutrition Policy and Promotion (CNPP)	3-5
Food and Consumer Service (FCS)	3-15



Introduction

The Nutrition and Consumer Services (FNCS) mission area, composed of the Food and Consumer Service (FCS) and the Center for Nutrition Policy and Promotion (CNPP), is responsible for ensuring that all Americans have access to healthful diets and nutrition information. We accomplish this by providing nutrition assistance to needy families; school-age children; and women, infants, and children at nutritional risk. We make available nutrition education and information to all Americans, and provide health referrals to certain program participants.

FNCS sponsors and supports research aimed at improving the nutritional quality of diets consumed not only by the participants of our programs, but by all Americans.

We strive to enhance the public's confidence in our programs by ensuring the efficiency, integrity, and fairness of our programs. We will promote results-driven and accountable management of all our programs.

The following FCS and CNPP strategic plans present the goals, objectives, and activities undertaken by the FNCS Mission Area to improve the nutritional well-being of all Americans.

A circular logo with the text "FNCS" written vertically in white capital letters on a dark background.



Center for Nutrition Policy and Promotion (CNPP) Strategic Plan



Table of Contents

Introduction	3-7
Key External Factors	3-7
Mission	3-7
Goals	3-8
Management Initiatives	3-12
Partnerships and Coordination	3-12
Linkage of Goals to Annual Performance Plan	3-13
Resources Needed	3-13
Program Evaluation	3-13
Role of External Entities	3-14



1. To identify the key areas of concern for the public.

2. To analyze the current policies and programs in these areas.

3. To provide recommendations for policy changes.

4. To monitor the implementation of these recommendations.

Introduction

The Center for Nutrition Policy and Promotion (CNPP) was established in December 1994 as a result of the reorganization of the United States Department of Agriculture (USDA). CNPP strives to further the Department's goal of attaining a healthy and well-nourished population by serving as the focal point within USDA for linking scientific research to dietary needs of the American consumer. CNPP develops integrated nutrition research, education, and promotion programs, and is a recognized authority for providing science-based food and nutrition guidance for the American public as well as assisting policymakers to devise strategies for cost-effective food assistance and nutrition interventions. The Center leverages its small staff of 32 FTEs by working effectively with policymakers, academic professionals, media, and other information multipliers toward improving the diet and health of the American public.

Contributing to improvement of the American diet is very important because in 4 of the 10 leading causes of death in the United States, a poor quality of diet and lack of physical activity are significant contributing factors. Heart disease, cancer, stroke, and diabetes account for 1.4 million deaths annually as well as impair quality of life and result in lost productivity. Diet also adversely influences such disorders as obesity, hypertension, and osteoporosis. Altogether, diet-linked diseases account for an estimated \$250 billion each year in increased medical cost and lost productivity.

The Center is a component of Food, Nutrition, and Consumer Services (FNCS), which focuses on developing and promoting dietary guidance to all Americans. CNPP's role is to define, coordinate, and strengthen nutrition education policy within USDA, and to translate nutrition research into easy-to-follow information and materials for the benefit of health professionals, consumers, academics, policymakers, and people in the private sector.

The mission and goal of the Center are implicitly authorized by the Organic Act of May 15, 1863, and the National Nutrition Monitoring and Related Research Act of 1990.

Key External Factors

Developments in medical and scientific knowledge regarding diet and health, as well as changes in human nutrition standards, food consumption, food composition, and food marketing, can profoundly impact CNPP's strategic plan for accomplishing its mission of linking scientific research to consumers. For example, changes in Recommended Dietary Allowances for essential micronutrients could affect the recommendation of CNPP's Food Guide Pyramid, the popular and widely recognized guide to daily food choices. In addition, because the Center depends on data collected by national surveys, such as the Continuing Survey of Food Intake by Individuals conducted by the Agricultural Research Service (ARS), the Consumer Expenditure Survey at the Bureau of Labor Statistics, and food supply data collected by the Economic Research Service (ERS), the work of CNPP will be greatly affected if the results from these surveys were not available in a timely fashion.

Mission

The mission of the Center for Nutrition Policy and Promotion is to improve the nutritional status of Americans by serving as the focal point within the United States Department of Agriculture for linking scientific research to the consumer.

As a recognized authority in this field, CNPP provides food and nutrition guidance based on current scientific research to the American public, policy makers, and professional and media multipliers in furtherance of the ultimate goal of improving the diet and health of all Americans.

Goals

Goal 1

Improved nutritional status of Americans

CNPP contributes to the Departmental objective, "Improve dietary practices and promote a healthy well-nourished population through nutrition education and research" by providing scientifically based food and nutrition guidance and helping to formulate sound policy, including the release of *Dietary Guidelines for Americans*.

■ Objective 1.1

Advance food and nutrition guidance.

The National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341) requires the Secretaries of Agriculture and Health and Human Services (DHHS) to jointly publish every 5 years the *Dietary Guidelines for Americans*. The *Dietary Guidelines* provide the latest scientific advice for healthy Americans age 2 years and over about food choices that promote health and prevent disease. The *Dietary Guidelines* are the cornerstone of Federal nutrition policy. The next edition of the *Dietary Guidelines* is due by December 2000. CNPP serves as Co-Executive Secretary for developing the *Dietary Guidelines* and is the leading Federal unit responsible for producing and promoting the *Dietary Guidelines* expressed in the consumer bulletin: *Nutrition and Your Health: Dietary Guidelines for Americans*.

USDA also has a rich history of producing food guides for consumers. The current food guide is graphically illustrated by the *Food Guide Pyramid*. The *Pyramid* illustrates USDA's research-based food guidance system that translates nutrient recommendations into recommendations on food intakes and provides a framework for selecting the kinds and amounts of foods to provide a nutritionally adequate diet. Adapting the *Food Guide Pyramid* for specific audiences and uses and ensuring that the food pattern recommendations continue to be scientifically sound, appropriate, and useful to the public are critical on-going requirements.

Time Frame for Completion

Advancing food and nutrition guidance is a continual activity that evolves with changes in medical and scientific knowledge, human nutrition recommendations, food consumption, food composition, new food technologies, and food marketing. The next edition of the *Dietary Guidelines for Americans* will be released in the year 2000.

Strategies for Achieving the Objective

- Serve as a Co-Executive Secretary with the Agricultural Research Service for the USDA/DHHS Dietary Guidelines Advisory Committee.
- Prepare, publish, and promote the bulletin: *Nutrition and Your Health: Dietary Guidelines for Americans*.
- Adapt the *Food Guide Pyramid* for specific audiences and uses, including for young children and for balanced weight control.
- Maintain the scientific research base supporting the *Food Guide Pyramid*.
- Translate emerging medical and scientific research into easy-to-understand food guidance for consumers, nutrition professionals, and the media.

Performance Measures

- Performance will be measured by the timely release of *Dietary Guidelines for Americans* as required by law, which reflects the preponderance of scientific and medical knowledge. The *Dietary Guidelines* will help Americans to improve their nutritional status.
- Awareness of guidelines and the extent to which consumers follow the recommendations; adaptation of the *Food Guide Pyramid* for specific audiences to improve their nutritional status.
- Use of CNPP's food and nutrition guidance by intermediary groups and information multipliers (e.g., policymakers, nutrition educators, nutrition programs directors, the media).

■ Objective 1.2**Effectively promote food and nutrition guidance for all Americans.**

CNPP plans to promote food and nutrition guidance by working with intermediary groups, information multipliers, influence agents, nutrition educators, the media and others to develop and deliver consumer-based messages and materials for all Americans, including food assistance program participants.

Time Frame for Completion

Effective promotion of food and nutrition guidance is a continual activity that depends heavily on the availability of resources to conduct consumer research and design and develop state-of-the-art nutrition education messages and materials.

Strategies for Achieving the Objective

- Establish dietary behavior benchmarks and determine key behaviors and behavior models for targeted subpopulations to translate the *Dietary Guidelines* into actions that improve dietary patterns.
- Complete and report consumer research to guide the development of a targeted nutrition promotion initiative.
- Develop collaborative partnerships for developing and delivering nutrition promotion messages and materials that leverage limited CNPP resources.
- Develop, implement, and evaluate a targeted nutrition promotion initiative in tandem with the release of the next edition of the *Dietary Guidelines*.

Performance Measures

- The number of Americans following the *Dietary Guidelines* as measured by *The Healthy Eating Index*—a measure of overall quality of the American diet that is calculated from survey data.
- Changes over time; the number of Americans aware of and following the *Food Guide Pyramid*; development, implementation, and evaluation of a targeted nutrition promotion initiative in tandem with the release of the fifth edition of the *Dietary Guidelines* in the year 2000. These parameters are measured through national surveys.

■ Objective 1.3

Contribute to improved nutrition policy formulation.

CNPP will continue to improve nutrition policy formulation through ongoing applied research and timely analyses of food consumption and dietary behavior of Americans, and by assessments of the nutritional status of Americans. CNPP will continue to provide Departmental leadership in food security policy and World Food Summit follow-up activities. In addition, CNPP will support policymaking by developing data and nutritional indicators, conducting research, and analyzing alternative policy and program approaches for improving the nutritional status of Americans, including participants in the food assistance programs.

Time Frame for Completion

Conducting the applied research to provide insightful and timely nutrition policy analysis is an ongoing activity.

Strategies for Achieving the Objective

- Conduct data analysis pertinent to USDA's nutrition policy and programs.
- Update food plans used in food assistance and related nutrition programs.
- Refine measures of overall dietary quality.
- In cooperation with other partners, complete U.S. Action Plan for Food Security.
- Prepare *Dietary Guidelines 2000 Base Book* that includes reviews of dietary guidance and nutrition policies, and Nutrition Insights fact sheets.

Performance Measures

- Performance will be measured by the extent of use of CNPP's expertise and analysis by policymakers regarding the dietary behavior of Americans and their nutritional status.
- Assessment of use of *The Healthy Eating Index*, *Nutrient Content of the U.S. Food Supply*, and *Thrifty Food Plan*.
- The number of citations of articles by other professionals, including academics and private sector authorities.
- The use of *The Healthy Eating Index* by professionals to track improvements in the American diet assessed by tracking citations.
- The use of CNPP *Nutrition Insights* by government policymakers, academic professionals, media, and other information multipliers in their deliberations and for general nutrition information.

■ Objective 1.4

Enhance efficiency of developing food and nutrition guidance materials for the American public, including food assistance recipients.

CNPP facilitates and coordinates the nutrition promotion activities that are carried out by a number of agencies within USDA and DHHS. CNPP also fosters public/private partnerships to leverage its limited resources.

Time Frame for Completion

Tasks and activities conducted on a continuing basis.

Strategies for Achieving the Objective

- Represent FNCS mission area as a member of the Interagency Board on Nutrition Monitoring and Related Research.
- Chair the USDA Dietary Guidance Working Group that reviews the USDA and HHS publications and other materials to ensure consistency with the *Dietary Guidelines*.
- Coordinate the nutrition education task force with representatives from other parts of the USDA.
- Establish and maintain USDA/public/private partnerships such as the Dietary Guidelines Alliance.

Performance Measures

- Performance will be measured by ensuring that all nutrition education materials for the general public produced by the Federal Government are consistent with the *Dietary Guidelines* and are released in a timely fashion.
- Effectiveness of the materials will be monitored through surveys and focus groups.

■ Objective 1.5**Improved measures for consumer expenditures and cost analysis.**

CNPP strives to improve nutrition policy formulation for children and other vulnerable groups by conducting timely analyses of food cost and other household expenditures, and their impact on relevant public policies such as the *Thrifty Food Plan* and welfare reform. CNPP assesses nutrition interventions and related policies.

Time Frame for Completion

These analytical activities are ongoing. For example, the cost of the *Thrifty Food Plan* is revised on a monthly basis and the journal, *Family Economics and Nutrition Review*, is published four times a year.

Strategies for Achieving the Objective

- Estimate expenditures on children by families.
- Examine food and other expenditures of vulnerable groups.
- Examine welfare reform implications for food expenditures, nutritional status, and child support.

Performance Measures

- The number of States that use the Annual Report on *Expenditures on Children by Families* and courts in setting child support and foster care payments.
- Journal articles on food and other expenditures of vulnerable groups are cited by professionals and media.
- *Family Economics and Nutrition Review*, containing articles related to food and other expenditures of vulnerable groups, meets the needs of journal customers as determined by focus groups and a reader survey.

Management Initiatives

CNPP has drafted a 5-year Information Resource Management (IRM) Plan for optimizing existing computing systems and to incorporate new technologies. CNPP has a multi-disciplinary staff comprised of nutritionists, economists, food scientists, and other professionals, many of whom have to complete training courses to fulfill continuing education requirements for continued certification of credentials and professional advancement. CNPP recognizes that attracting and retaining a high-caliber staff is fundamental to fulfilling its mission and accomplishing its strategic goal. CNPP plans to develop, implement, and evaluate an annual individual development plan (IDP) for each staff person, closely tied to CNPP's annual performance reviews. CNPP is totally committed to continually improving the quality, effectiveness, and diversity of its workforce, and to implementing Federal laws and USDA's policies on Civil Rights.

Time Frame for Completion

The 5-year IRM Plan will be implemented by the year 2000. The individual development plans will be developed in collaboration between staff and management for each staff member annually as part of the annual performance review. The Center will conduct periodic training on Civil Rights and sensitization to diversity.

Strategies for Achieving the Management Initiative

- Effect the migration of the UNIX system to USDA standard platform and upgrade the existing system.
- Develop IDP program and provide guidance to staff and management; develop individual IDPs; evaluate individual IDPs and overall IDP effort.
- Continually improve the diversity of CNPP workforce.

Performance Measures

- Number of CNPP staff who obtain, retain, and/or advance professional certification and fulfill continuing education requirements.
- Compliance with USDA standards for procurement, installation, and security of computer systems.
- Extent of diversity of the workforce.

Partnerships and Coordination

To leverage Government resources and cost-effectively amplify nutrition guidance, the Center maintains strong ties with many Federal agencies, food industry, academic institutions, professional organizations, and a variety of other groups (including health and public interest organizations) to promote a healthful diet for Americans. Within the U.S. Department of Agriculture, CNPP works with numerous partner agencies, including the Agricultural Marketing Service (AMS), the Agricultural Research Service (ARS), the Cooperative State Research, Education, and Extension Service (CSREES), the Economic Research Service (ERS), the Foreign Agricultural Service (FAS), the Food and Consumer Service (FCS), the Food Safety and Inspection Service (FSIS), and the National Agricultural Statistics Service (NASS). Positioned as it is within the mission area of Food, Nutrition and Consumer Services, the Center serves uniquely as a liaison between the Department's research and extension capacity and nutrition and food assistance policy and program implementation. In addition, the multi-disciplinary Center staff link with other governmental agencies (e.g., Centers for Disease Control, Department of Health and Human Services, Food and Drug Administration), and the private sector through mechanisms such as public/private partnerships (for example, the

Dietary Guidelines Alliance) and the Domestic Subgroup on Food Security of the Inter-Agency Working Group, World Food Summit.

CNPP shared its strategic plan with these Federal agencies and other organizations mentioned above. The specific suggestions received from these groups were incorporated in the final draft.

Linkage of Goals to Annual Performance Plan

CNPP's annual performance plan for fiscal year 1999 contains five objectives that parallel the five objectives in the Center's strategic plan. The performance goals reflect the planned accomplishment of specific projects in fulfillment of CNPP's mission and in furtherance of its general goal. CNPP plans to devote more attention to the development of outcome measures as a key part of its first annual performance plan. In particular, CNPP plans to develop and report baseline measures, interim measures, and targeted performance goals for future outcome measures. CNPP's goal is linked to the budget program activity of nutrition promotion and nutrition policy and analysis.

Resources Needed

The most important component of analysis, data development, and communication performed by CNPP is the need for a critical mass of highly trained and experienced professional staff. The Center staff currently consists of 12 Ph.D.s, and an equal number of Masters trained in nutrition, economics, and food science. In addition, office, communication and computer support personnel number approximately 8. To realize their potential, this staff requires access to sufficient computing capacity, software, and research materials. Accordingly, it is essential that the Center update its UNIX computer platform, which will be obsolete in the next 2 years. A technically up-to-date personal computer network with the capacity to process and statistically analyze large data sets enables the Center to transform data into information usable by policy makers and others. Additionally, the Center requires sufficient travel funds to support professional staff who conduct Center business by attending research conferences and work with professional colleagues at Universities. The current level of funding is inadequate to fully support the activities of the Center. Public and private partnerships have become necessary to leverage these resources.

Program Evaluation

CNPP has used the data from national food surveys such as the Continuing Survey of Food Intake by Individuals (CSFII) conducted by USDA to monitor changes in the diet quality of Americans. The analysis of data from these and other surveys was used to evaluate our programs and policies. The resulted evaluation of prior strategies formed the basis for developing new strategies under the strategic plan.

The impact of programs and policies developed by the Center will be evaluated by assessing the outcomes and outputs resulting from its initiatives. Internal agency procedures will be used to track specific output measures, such as the timely release of revisions to the *Dietary Guidelines*. As established in its annual performance plan for fiscal year 1999, CNPP plans to develop specific outcome measures, including baseline and target measures, to evaluate the impact of each objective and the goal. CNPP anticipates using *The Healthy Eating Index* as a major indicator to monitor changes in the dietary behavior of Americans. In addition, results of consumer focus groups and surveys of our clients will also provide indicators of achievement of CNPP's objectives. CNPP's ability to conduct rigorous program evaluations will, of course, be subject to availability of funds.

Role of External Entities

In the preparation of this plan, CNPP sought input from a wide range of agencies and institutions both from within and outside Government. These institutions include professional, private sector, and consumer groups as well as Federal and State government agencies involved in food and nutrition issues. CNPP has incorporated many of the comments received from these groups. In addition, CNPP's Nutrition Promotion Staff convened a panel of leading nutrition educators to advise in developing the nutrition promotion section of this strategic plan. However, the plan was prepared by CNPP staff.

Food and Consumer Service (FCS) Strategic Plan



Table of Contents

Introduction	3-17
External Environment	3-18
Role of External Entities	3-19
Mission	3-19
Goals	3-19
Management Initiatives	3-42
FCS Fiscal Year 1997 Program Budget Resources	3-47

FCS

Introduction

The mission of the Food and Consumer Service (FCS) is to provide children and needy families access to a more healthful diet through its food assistance programs and comprehensive nutrition education efforts. FCS food assistance programs account for over one-half of the U.S. Department of Agriculture's (USDA) budget.

The goals in this plan support the Department's theme relating to alleviating hunger and the management initiatives support the Department's management initiatives. The plan was developed solely by FCS staff without assistance from outside consultants or contractors.

Nutrition Assistance Programs

FCS nutrition assistance programs work both individually and in concert with one another to alleviate food insecurity and promote healthier diets for children and low-income adults and improve nutritional knowledge among all Americans. While each program is targeted at populations with specific nutrition needs, many of these needs are related, resulting in individuals or households participating in more than one program. Taken together, these programs provide a nutrition safety net for low-income Americans. Brief program descriptions are given below:

Food Stamp Program

FCS' largest program is the Food Stamp Program (FSP), which is the primary source of nutrition assistance for low-income Americans. FSP enables eligible households to improve their diet by increasing their food purchasing power. The States administer the program through a Federal-State partnership. The Federal Government pays for the full cost of benefits and about one-half of the States' administrative costs.

Child Nutrition Programs

Child Nutrition Programs include the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Special Milk Program (SMP), the Child and Adult Care Food Program (CACFP), and the Summer Food Service Program (SFSP) and the Nutrition Education and Training (NET) program. These programs assist State and local governments in providing healthful, nutritious meals to children in public and non-profit private schools, child care institutions, certain adult day care centers, and summer recreation programs.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

The WIC Program is designed to improve the health of nutritionally at-risk, low-income pregnant, breastfeeding, and postpartum women and infants and children up to 5 years of age. WIC provides participants with supplemental food packages, nutrition education, and referrals to health and social services.

Commodity Assistance Programs

These programs provide commodities for soup kitchens, food banks, and emergency feeding organizations. They also provide food packages to targeted groups including those similar to the WIC program participants as well as Native Americans living on Indian reservations and low-income elderly persons.

The External Environment

Food Donation Programs for Selected Groups

Two programs are included. The first is the Food Distribution Program on Indian Reservations, which is an alternative to the Food Stamp Program. The second is the Nutrition Program for the Elderly which provides cash and commodities to States for distribution to local organizations that prepare meals served to the elderly in congregate settings or delivered to their homes.

FCS administers its programs in an environment that includes Congress; other agencies within USDA; other Federal agencies; State, Territorial, Indian tribal, and local governments; advocacy groups; and, of course, program participants. The relationships are dynamic, changing as the Federal and State roles change.

The agency works closely with other agencies within the Department in many areas. In order to meet the nutrition education objectives, FCS will need the cooperation of the Agricultural Research Service (ARS), the Cooperative State Research, Education and Extension Service (CSREES), the Agricultural Marketing Service (AMS), and the Food Safety and Inspection Service (FSIS) and the Center for Nutrition Policy and Promotion (CNPP). ARS' cooperation will be needed to develop techniques to determine food composition, maintain national food composition databases, monitor the food and nutrient consumption and nutrition knowledge of the U.S. population, and develop and transfer effective nutrition education strategies. CSREES cooperation will be needed to educate children and families to improve food choices. AMS will help to improve the nutritional profile of commodities purchased for Federal feeding programs. This includes developing, testing, and packaging new products. FSIS assistance will focus on food safety education for FCS feeding programs. CNPP will coordinate nutrition education and promotion throughout the Department.

FCS programs are closely tied to other Federal Government programs, particularly those that provide income assistance and nutrition services to low-income populations. For example, FCS also works with the nutrition components of the Department of Health and Human Services (HHS), particularly the Administration on Aging, the Maternal and Child Health Bureau, and the Centers for Disease Control and Prevention's Division of Physical Activity and Nutrition.

In the past, Aid to Families with Dependent Children (AFDC) was the most important non-USDA program with which FCS coordinated. Others, such as Supplemental Security Income (SSI) and Unemployment Insurance, also play significant roles in FCS programs. They may affect the participation in and benefits received from FCS programs. Recent welfare reform legislation will change this relationship in ways that are difficult to predict. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform) modified the eligibility criteria for food stamp benefits and increased State design options that also can affect benefits for recipients. However, it did not affect the overall mission to provide food and nutrition security for low-income Americans participating in the FSP.

Although the major thrust of the agency's programs is to provide nutrition assistance to low-income groups, FCS has taken steps to reach all Americans through nutrition education as exemplified by its School Meals Initiative for Healthy Children and its supporting program, Team Nutrition. In addition, FCS has worked closely with the USDA Center for Nutrition Policy and Promotion and HHS to update the *Dietary Guidelines for Americans*, which is designed for use by the entire U. S. population. The State agencies administer FCS nutrition assistance programs through a Federal-State partnership.

Role of External Entities

FCS has incorporated the needs and viewpoints of its customers into this strategic plan. The perspectives, knowledge, and experiences of public and private organizations with an interest in FCS programs were taken into account in the development of the plan.

FCS has held hearings, analyzed public comments, conducted surveys, and held meetings with many of the agency's customers on the direction and operations of its programs. For example, FCS solicited input from government organizations and advocacy and food industry/retailer groups on ways to improve program effectiveness and efficiency. The agency has conducted surveys of program administrators, participants, food retailers and financial institutions to obtain information on their satisfaction with FCS programs and how they can be improved.

To promote the Federal/State partnership, FCS meets regularly with cooperators and State agencies. For example, the agency meets quarterly with the American Public Welfare Association and State agencies administering the Food Stamp Program to solicit feedback and ideas for streamlining and improving program operations. The agency also meets with FSP and WIC directors, quality control directors, advocacy groups, and other groups of partners.

FCS actively engages its partners and the public in the development and improvement of its programs. For example, the agency created a network of public and private partnerships designed to promote healthy food choices among the Nation's school children. FCS entered into agreements with other Federal agencies and private sector organizations to expand and promote nutrition education.

From its regularly held public forums FCS has learned how valuable the observations and recommendations of the public can be. The agency intends to continue to seek direct public input on its programs in order to improve nutrition assistance programs throughout the Nation.

In its continuing effort to incorporate the views of its partners and the public in the development of this plan, FCS held a public forum to obtain comments on the plan from any interested party. Over 60 organizations were invited to the forum. At the same time, FCS made the plan available on the agency's World Wide Web site. As a result of these activities, FCS received comments from numerous organizations which were considered in the development of the plan's objectives, activities, and performance measures.

Mission

The mission of FCS is to provide children and needy families better access to food and a more healthful diet through its food assistance programs and comprehensive nutrition education efforts.

Goals

Goal 1

Enhanced food and nutrition security for low-income Americans

This goal reflects the mission of the Food Stamp Program (FSP), the largest food assistance program operated by the Food and Consumer Service. This goal represents both the continuation of the program's traditional role in providing food assistance as well as improving program administration to meet future policy and fiscal challenges.

FSP's status as an entitlement program with standard eligibility and benefits remain its key features even after welfare reform.

■ Legislative Authority

Food Stamp Act of 1977, as amended (P.L. 88-525)

■ Objective 1.1

Enhanced nutritional security and food purchasing power of low-income Americans participating in the FSP.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Establish baselines and periodically reassess measures of households reporting poverty-linked hunger.
- Increase effectiveness of nutrition education funded by the Food Stamp Program by providing technical assistance to States and coordinating with the Extension Service and CNPP to develop a consensus model of effective Food Stamp Program nutrition education, including buying skills.

Performance Measures

- Prevalence of poverty-linked hunger.
Baseline: Results of 1996 Current Population Survey (when it becomes available)
Target: To be determined

■ Objective 1.2

Improved program integrity.

To accomplish this objective, FCS will need the assistance of the OIG in fulfilling management strategies to increase claims collections and reduce the incidence of fraudulent Electronic Benefits Transfer (EBT) transactions. Through ongoing audit activities, FCS needs OIG to do the following:

In the area of claims collections activities, identify management weaknesses in States' claims collection efforts and provide suggestions for improvements in this area.

In the area of EBT and retailer activities, provide assistance in coordinating retailer oversight and investigations, including better defining and targeting suspicious incidences of EBT transactions.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Continue ongoing program responsibilities to monitor States' compliance with Federal law and regulations.
- Increase payment accuracy by providing technical assistance to States, implementing the Leland Act, and encouraging negotiated liability settlements.
- Increase claims collection by expanding use of all debt collection tools and providing technical assistance to States.
- Improve retailer integrity by developing a measurement system for retail

integrity, investigating suspicious stores, encouraging expanded use of false claim civil procedures, and making timely sanctions against violating stores.

Performance Measures

- Payment accuracy rate
Baseline: 90.28 percent (1995)
Target: 91.20 percent (2002)
- Percent of established claims collected
Baseline: 48 percent (1995)
Target: 58 percent (2002)
- Number of sanction actions taken against stores
Baseline: 1,400
Target: Maintain baseline

■ Objective 1.3

Improved program efficiency.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Continue ongoing program responsibilities of developing and issuing regulations, policies, and guidelines governing the eligibility for and administration and operation of the FSP, including eligibility certification, EBT, and work programs.
- Expand implementation of EBT by providing technical assistance to States and encouraging more aggressive implementation.
- Provide technical assistance to States on a Simplified Food Stamp Program.
- Expand State administrative flexibility by issuing streamlining regulations on application processing, reporting changes in income, and the employment and training program.
- Develop more cost-effective, automated, electronic reporting systems for submission and maintenance of State-reported program data.

Performance Measures

- Number of States issuing benefits by EBT. Number of States that meet the statutory mandate to implement by October 1, 2002, unless waivers are granted based on unusual barriers to implementation.
Baseline: 11 States (1995)
Target: 53 States (2002)
- Percent of benefits issued by EBT
Baseline: 15% (1995)
Target: 100% (2002)
- CFR pages of prescriptive requirements
Baseline: 472 pages of requirements (1996 CFR)
Target: 30 % reduction (141 pages)

■ Linkage of Goal to Annual Performance Plan

Goal 1, Enhanced food and nutrition security for low-income Americans, consists of three strategic objectives. There are eight performance goals identified for fiscal year 1999 to help attain the goal and its component objectives. FCS derived the annual performance goals directly from the strategic plan after an analysis of what outcomes, activities, and outputs were needed to accomplish the strategic goal. Goal 1 is linked to the budget program activity of the Child Nutrition Program.

■ Resources Needed

FCS needs sufficient staff and travel resources at the National and Regional levels to ensure accuracy in the delivery of food stamp benefits, including quality control staff to monitor and assess States' effort in improving payment accuracy and providing technical assistance for error reduction. Additional staff are needed to develop and issue regulations, policies, and guidelines governing the eligibility for and administration and operation of the Food Stamp Program, including eligibility certification, benefit issuance and redemption, and program compliance. Headquarters staff conduct research and evaluation of the Program and/or its components, such as EBT, work programs, and nutrition education. The agency also requires financial resources for printing, storing, and distributing food coupons.

FCS needs funds for its share of State systems which qualify for Federal financial participation. The agency must train employees in carrying out their responsibilities for new initiatives and on streamlining and changing program requirements. Regional Office staff are needed to review and approve State plans of operations and to monitor their implementation.

Resources are also required to develop and maintain:

- a computer system to track food stamp retailers and their sales;
- related internal FCS automated systems, such as Food Stamp Program Integrated Information System (FSPIIS);
- the Store Tracking, Authorization, and Redemption system (STARS);
- the National Integrated Quality Control System (NIQCS); and
- the Anti-fraud Locator using EBT Retailer Transactions (ALERT) System.

■ Key External Factors Affecting Goal Achievement

Three key factors could significantly affect progress in FCS' efforts to achieve its objectives for the Food Stamp Program. First, because the Food Stamp Program is administered in partnership with the States, their choices and actions will have significant consequences for program operations. For example, in order for FCS to meet the program integrity objective, it is crucial that States continue their commitment to improving payment accuracy by reducing the error rates to qualifying levels for enhanced funding, settling outstanding liabilities through reinvestment in error reduction activities, and avoiding error rate liabilities. Similarly, State commitments to statewide implementation of EBT will be crucial to meeting the program efficiency objective.

Second, under the Personal Responsibility and Work Opportunity Reconciliation Act (welfare reform) of 1996, State agencies will have the opportunity to simplify Food Stamp Program requirements for a segment of their caseload to conform with the requirements of the Temporary Assistance for Needy Families (TANF) program. The choices that States make in designing and implementing simplified programs can have significant effects on the agency's meeting both the program integrity and efficiency objectives.

Finally, the state of the Nation's economy will have a substantial effect on food and nutrition programs. In the past, the Food Stamp Program has automatically expanded during economic downturns and contracted as the economy improved.

■ Partnerships and Coordination

State welfare agencies are FCS's major partners in administering the Food Stamp Program and delivering benefits to eligible households. The States administer the program through a Federal-State partnership under which the Federal Government pays the full cost of the benefits and about one-half of the States' administrative costs. The National Association of Food Stamp Directors and the American Public Welfare Association cooperate with FCS to address problems facing the Program.

FCS cooperates with the USDA Extension Service in the development, production, and distribution of nutrition education materials. In order for FCS to achieve this goal, the Extension Service, land-grant universities, and the Center for Nutrition Policy and Promotion must develop and distribute nutrition education materials, including those pertaining to buying skills. FCS cooperates with the Agricultural Research Service in conducting surveys of food intake by households and individuals participating in the Food Stamp Program. The agency works closely with the Office of Inspector General (OIG) to reduce fraud and abuse related to benefit issuance and redemption.

■ Program Evaluation

FCS is conducting several evaluations measuring achievement of Goal 1. The first of these studies measures the food security of American households. The Agency collected data on food security as part of the April 1995 and September 1996 Current Population Survey (CPS). A third round was collected in April 1997. The agency also conducted a nationally representative survey of Food Stamp Program participants and other low-income Americans in April 1996. Among other information, the survey collected data on food security, client access to food retailers, food expenditures, and food use. These data will be used to estimate the prevalence of hunger in America and serve as a baseline against which future estimates can be compared. FCS also plans to model the effects of program participation on dietary intake using current data from the Continuing Survey of Food Intake by Individuals.

Objective 3 under this goal is to increase program efficiency. Partially as a result of past research, the agency has determined that one of the primary strategies to increase program efficiency will be nationwide implementation of EBT. FCS has completed several exhaustive evaluations of the feasibility and impact of EBT on the Food Stamp Program. Among these were evaluations of food retailer readiness for EBT, potential impact of hybrid EBT systems, EBT commercial infrastructures and their implications for EBT, and EBT privacy issues. These and other studies indicated that EBT can bring substantial benefits to the Food Stamp Program and program participants. Therefore, one of the intermediate measures of program efficiency will be the extent of EBT implementation.

Another primary objective of the Food Stamp Program is program integrity. The agency has conducted several evaluations focusing on different dimensions of this objective. One important dimension of program integrity that the Food Stamp Program will be emphasizing is client integrity. FCS has two measures of this: payment accuracy and claims collection. The agency has conducted demonstrations on income and eligibility verification in two States. This information will be used to assist FCS in assessing its ability to improve its performance on these measures.

Goal 2

Healthful diets for school-age children

This goal reflects the agency's recognition of its national health and education responsibilities for school-age children. To fulfill its commitment to making the promise of healthy children a reality, FCS developed the School Meals Initiative for Healthy Children. The School Meals Initiative for Healthy Children is a historic policy change that requires school meal programs to update their standards in line with the *Dietary Guidelines for Americans* in order to provide nutritious, healthful meals and to contribute to the nutrition education of the Nation's schoolchildren. By improving children's nutritional status, the agency will contribute directly to their health and education, thereby meeting its responsibility to the Nation's children.

The two major programs serving this goal are the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). These two programs provide nutritious meals to about 25 million children each school day and account for a significant portion of their nutrient intake.

■ Legislative Authority

National School Lunch Act of 1946, as amended (P.L. 79-396)
Child Nutrition Act of 1966, as amended (P.L. 89-742)

■ Objective 2.1

Ensure that school meals are consistent with the *Dietary Guidelines for Americans* and the Recommended Daily Allowances (RDAs).

Time Frame for Completion

The estimated time for completing this objective is indefinite.

Strategies for Achieving the Objective

- Maintain a network of public and private partnerships.
- Provide access to state-of-the-art nutrition information including Healthy School Meals training materials containing guidance on menu planning, food safety, and food purchasing specifications, and provide readily available experts to give customized nutrition information on request.
- Conduct School Meals Initiative for Healthy Children training sessions.
- Expand the number of food items and update existing items in the National Nutrient Data Base for Child Nutrition Programs.
- Establish the School Meals Initiative for Healthy Children monitoring system.
- Develop and implement a methodology to conduct a national assessment of schools' progress in meeting nutrition standards.

Performance Measures

- Rolling average of the percent of School Food Authorities (SFAs) in a review cycle that meet the *Dietary Guidelines* and the RDAs

Baseline: Average percent of SFAs in the first review year that meet the *Dietary Guidelines* and RDAs

Target: A 25-percent increase over the baseline number

- Average nutrient content of school meals
 - Baseline (NSLP):** 38 percent calories from total fat
(1993) 15 percent calories from saturated fat
Calories meet 33% RDA
Vitamins & minerals meet 33% RDA
 - Baseline (SBP):** 31 percent calories from total fat
(1993) 14 percent calories from saturated fat
Calories are 24% RDA
Except for zinc, vitamins & minerals meet 33% RDA
 - Targets:** 30 percent calories from total fat
(2002) 10 percent calories from saturated fat
Calories – maintain NSLP baseline; increase to 25%
RDA for SBP
Vitamins & minerals – maintain baseline

■ Objective 2.2

Children make food choices for a healthy diet.

Time Frame for Completion

The estimated time for completion is indefinite.

Strategies for Achieving the Objective

- Increase the State nutrition education activities by administering the Nutrition Education and Training (NET) Program, planning national meetings, expanding technical assistance and support to States for nutrition education, and maintaining support of Food Nutrition Information Center information sharing efforts to State and local agencies.
- Increase nutrition education marketing and the number of resource materials available through: the establishment and maintenance of nutrition education partnerships; the development and distribution of nutrition education materials to teachers, children, families, and the community; and development and improvement of mass communications.

Performance Measures

- Percent of school-age children with diets consistent with the *Dietary Guidelines* and the RDAs
 - Baseline:** 22 percent of children meet total fat guideline
(1993) 16 percent of children meet saturated fat guideline
At least 50 percent of children meet each vitamin & mineral RDA
Average food energy intake: 111 percent of RDA
 - Targets:** 24 percent of children meet total fat guideline
(2002) 18 percent of children meet saturated fat guideline
Maintain baseline for vitamin & mineral RDAs
Average food energy intake: 100 percent of RDA

■ Objective 2.3

Improved program integrity.

Time Frame for Completion

The estimated time for completion is 5 years from established baseline.

Strategies for Achieving the Objective

- Conduct on-going analysis of review data to identify problems and technical assistance and/or fiscal action needed to resolve these problems.
- Impose corrective actions to resolve audit findings or State reports.
- Develop and distribute guidance materials for counting and claiming activities.
- Revise State reporting mechanisms and provide technical assistance on their implementation.

Performance Measure

- Rolling average of the percent of SFAs reporting accurate meal counts

Baseline: Most recent average (1993-97) from Coordinated Reviews Effort (CRE) reviews by States, as of March 1997

Target: Increase baseline by 10 percent (2002)

■ Linkage of Goal to Annual Performance Plan

Performance goals included in the agency's Annual Performance Plan are derived directly from the strategic plan. Goal 2, Healthful diets for children, was broken down into three objectives. Five annual performance goals were identified for fiscal year 1999, representing the starting points for achieving this strategic goal. Annual performance goals in subsequent fiscal years will build on these initial goals until the strategic goal and objectives are met. Goal 2 is linked to the budget program activity of the Food Stamp Program.

■ Resources Needed

Achievement of this goal and its corresponding objectives requires staff at the National, Regional, and State levels. National staff are needed to plan, develop and oversee the administration of the National School Lunch and School Breakfast Programs by the States and their school food authorities. Staff are also needed to develop, test, and evaluate new nutrition education and training/technical assistance initiatives. Regional Office staff are needed to manage and monitor child nutrition programs in their corresponding States.

FCS must also maintain a financial management system to issue letters of credit to States to reimburse them for the school meals they serve and to maintain records of expenditures for child nutrition programs. The agency will also be required to maintain a Child Nutrition Nutrient Data Base, currently managed by the Agricultural Research Service. Research funds will be needed in order to obtain national measures of the nutrient content of NSLP and SBP meals.

Resources are required to develop and maintain related internal FCS automated systems, such as the Special Nutrition Programs Integrated Information System (SNPIIS), which support program administration, and to underwrite the FCS share for any State systems which qualify for Federal financial participation. Resources are also needed to train FCS employees in carrying out their responsibilities for initiatives in the above areas, as streamlining and changing program requirements force the agency to continually evaluate how to most efficiently perform its work.

■ Key External Factors Affecting Goal Achievement

Recent welfare reform legislation will affect school nutrition programs, but the ramifications are yet unclear. There have been some indications that participation in the School Breakfast Program may be increasing as a result of the recent reforms. Moreover, recent legislation allowing States and school food authorities more leeway in meeting the *Dietary Guidelines* may affect the speed and extent to which the *Guidelines* are met.

■ Partnerships and Coordination

State education agencies administer the NLSP and SBP through local school food authorities. They are responsible for enrollment, supplying meals, and providing nutrition education. The American Food Service Association is a major partner in addressing current and emerging issues facing school feeding programs.

Within USDA, FCS cooperates with the Center for Nutrition Policy and Promotion and the Cooperative, State, Research, Education and Extension Service (CSREES) in developing and disseminating nutrition education materials. In addition, the agency cooperates with the Agricultural Research Service in developing and maintaining the National Nutrient Data Bank to assist schools in meeting mandated nutrition requirements for school meals.

■ Program Evaluation

FCS used current scientific knowledge to determine an appropriate measure of "healthful" diets, as stated in Goal 2. A growing scientific consensus believes that diets high in total fat, saturated fat, and cholesterol and low in fiber increase the risk of heart and other chronic diseases. This information is applied to the American diet in the *Dietary Guidelines for Americans*, which sets standards for what constitutes a healthy diet for adults and schoolchildren. For example, guideline #4 states: "Choose a diet low in fat, saturated fat, and cholesterol." Therefore, FCS determined that "healthful" will be measured partially by the extent to which children's diets meet the *Dietary Guidelines*. In addition, to remain healthy, children's diets must meet the RDAs. Consequently, the measure of healthful diets was determined to be diets that meet both the RDAs and the *Dietary Guidelines*.

FCS contributes to children's diets through the National School Lunch Program (NSLP) and School Breakfast Program (SBP) meals. In 1993, the School Nutrition Dietary Assessment Study sponsored by FCS found that while NSLP and SBP meals, on average, provide the recommended levels of vitamins and minerals for students, they do not meet the *Dietary Guidelines*. These measurements will serve as the baseline against which future estimates can be compared.

Since this study, the agency changed the nutrition standards of program meals requiring that they conform to both the *Dietary Guidelines* and the RDAs. These nutrition standards and other implementation issues are in the School Meals Initiative for Healthy Children regulation. The agency made conformance to these standards Objective 1 of Goal 2. The measurement of the nutrient content of school meals will be updated in school year 1997/98 to determine the amount of progress being made toward meeting these nutrition standards. The School Nutrition Study will provide these measurements which will be compared to the School Nutrition Dietary Assessment Study baseline measurements.

One tool available to assist local school food authorities in meeting these nutrition standards in Objective 1 is Nutrient Standard Menu Planning (NSMP). NSMP is a

menu planning system that focuses on the extent to which menus meet RDAs and *Dietary Guidelines*. FCS is conducting an evaluation of a demonstration of NSMP that will describe operational procedures implemented, identify any problem areas, and examine the nutrient content of the meals offered. Knowing the effectiveness of NSMP will help the agency determine the usefulness of this tool in providing healthful meals to children. FCS is also examining the use of other tools and strategies to improve the nutrition of school meals in the School Meals Initiative Implementation Study which began in 1996.

Just as important as having healthy meal choices available to them, children must also have the knowledge and motivation to select the healthy choices offered. FCS has funded several studies and evaluations to determine the extent and type of nutrition education currently available to children. The agency has surveyed public schools to determine what traditional and nontraditional educational activities are available to students. The agency is currently conducting a follow-up national survey of schools to determine what other assistance or materials teachers and/or other educators wish to have in teaching nutrition and health promotion to students. Finally, FCS is conducting a census of all activities currently funded by the Nutrition Education and Training Program. This census will also provide information on nutrition education activities and collaborations with other Federal and State agencies.

Finally, related to nutrition education, FCS is conducting seven community projects which involve a set of nutrition education activities in the classroom, cafeteria, school, and community. Evaluation of these pilots assesses the implementation of the nutrition education and promotion activities in all seven communities and determines the impact in four communities. This education and promotion effort is expected to result in increased nutrition knowledge and healthy attitudes among schoolchildren, leading to healthy food choices among children (Objective #2).

The final outcome the agency wishes to achieve by improving school meals and the education of children is healthy diets among children. This will be measured using national surveys that include the dietary intake of schoolchildren, such as the Continuing Survey of Food Intake of Individuals (CSFII).

Lastly, FCS is cooperating with the U.S. Department of Education on the Early Childhood Longitudinal Study. This study will provide a comprehensive and reliable set of data that may be used to describe and understand children's preparation for school; key transitions during their educational careers; their experience in kindergarten, the primary, and elementary grades; and how their early experiences relate to their likelihood of succeeding in school. This study offers FCS the opportunity to examine nutritional status and dietary links to cognitive performance as well as possible links of participation in school nutrition programs to learning.

***** Goal 3

Improved nutritional status and health of low-income women, infants and children (WIC program)

This goal directly reflects the mission of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) to improve the nutrition and health status of participants. The demonstrated, continuing success of the WIC program has always derived from the programs three basic components. WIC provides supplemental foods, health care referrals, and nutrition education to program participants. With nutrition status certification, individual nutrition counseling, and specific nutrition

classes, nutrition education has always been an important component of the program. This strategic goal and its objectives build on these components and particularly emphasize nutrition education.

The WIC program is not an entitlement program; it operates within a fixed grant level. Its funding has expanded substantially in recent years as a result of a long-standing bipartisan commitment to fully funding the program at a level which would allow all eligible women, infants, and children who wish to participate to do so. It is anticipated that the funding level provided in fiscal year 1998 will be established as the level associated with fully funding the program. Further, real increases in program funding beyond this level are not anticipated.

Consequently, program efficiency and integrity will substantially affect the number and category of eligible women, infants, and children receiving food and services. Program growth is due in part to higher appropriations which reflect appreciation of WIC's effectiveness. However, a substantial portion of the participation increase is attributable to the success of cost containment measures; reducing the average food cost per person enables WIC to reach more participants with the same funds. The most successful strategy has been competitive rebate contracts between State agencies and infant formula companies. Thus, the program efficiency and integrity objective will affect achievement of the overall the strategic goal.

■ Legislative Authority

Child Nutrition Act of 1966, as amended (P.L. 89-642)

■ Objective 3.1

Improved program efficiency and integrity.

Time Frame for Completion

The estimated time for completing this objective is 5 years.

Strategies for Achieving the Objective

- Implement cost containment measures that minimize food costs.
- Assist States in allocating funds to ensure service to the maximum number of eligible population.
- Improve vendor selection and monitoring of vendor and participant eligibility.
- Promote State Electronic Benefit Transfer (EBT) systems.

Performance Measures

- Food cost per participant
Baseline: \$31.24 (1996)
Target: 10 percent below baseline amount, adjusted for inflation (2002)
- Average monthly participation rate
Baseline: 7.2 million (1996)
Target: 7.5 million (2002)
- Number of States issuing benefits by EBT
Baseline: 1 (1997)
Target: 8 (2002)

■ Objective 3.2

Improved dietary practices of participant women and children.

Time Frame for Completion

The estimated time required is indefinite.

Strategies for Achieving the Objective

- Develop nutrition education tools for WIC children.
- Promote breastfeeding of infants.
- Promote consumption of foods containing nutrients lacking in the diets of WIC women and children.
- Promote utilization of farmer's markets (Farmer's Market Nutrition Program).

Performance Measures

- Percent of women and children participants with diets consistent with the *Dietary Guidelines* and RDAs
Baseline: To be developed
Target: To be developed
- Incidence and duration of breastfeeding among WIC participants
Baseline: Incidence: 33-44 percent in hospital
Duration: Percent of mothers still breastfeeding after 3 months
Target: Incidence: 50-60 percent in hospital
(2002) Duration: 10 percent increase over baseline

■ Objective 3.3

Improved nutritional qualifications of State and local WIC staff.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Promote upgrading the nutrition skills of State and local WIC staff.
- Work with cooperators to recruit and retain qualified nutritionists for the WIC program.
- Cooperate with 1890 Land-Grant universities to recruit more minority students in the nutrition and dietetic fields.
- Expand training opportunities for State and local WIC staff.

Performance Measure

- Nutrition credentials of WIC staff
Baseline: 48 percent Registered Dieticians (RD) or RD eligible (1994); 2 (1994) percent Registered Dietetic Technician (DTR)
Target: 50 percent RD or RD eligible; 4 percent DTR
(2002)

■ Objective 3.4

Improved health outcomes of program participants.

Time Frame for Completion

The time requirement is indefinite.

Strategies for Achieving the Objective

- Increase access to WIC services for the hard to reach, the employed, and rural participants.
- Promote use of nutritional risk criteria that increase the probability of certification of those most at risk and able to benefit from WIC.
- Promote co-location and one-stop health and nutrition services.
- Investigate unusually high rates of anemia among WIC-eligible population at select locations.
- Improve clinic protocols and documentation of nutritional risk.
- Promote breastfeeding.
- Promote immunization of WIC children.
- Promote coordination with Healthy Start, Head Start, and other health programs for the maternal and infant population.

Performance Measures

- Health status measures: infant mortality, birthweight, anemia, and immunization rates

Baseline: Infant mortality rate:	14.5 (AFDC proxy)
Incidence of low-birthweight:	8.1 percent (WIC)
Anemia (children):	16.4 percent (WIC)
Anemia (pregnant women):	8.6 percent (WIC)
Immunization rate:	DTP3+ (95%); OPV3 (88%) (total population).

Target: Maintain baselines for all measures.

■ Linkage of Goal to Annual Performance Plan

The Annual Performance Plan for Goal 3 was developed directly from the FCS strategic plan. The goal comprises four strategic objectives. These, in turn, served as the basis for developing the 10 annual performance goals for fiscal year 1999. Attainment of these 10 annual goals will be the first steps toward achieving the strategic goal and objectives. Annual performance goals in each ensuing fiscal year will bring the agency closer to meeting its strategic goal for the WIC program. Goal 3 is linked to the budget program activity of the Women, Infants, and Children Program.

■ Resources Needed

Like other major food assistance programs, WIC is administered by State and local agencies. As such, a major role for FCS is to monitor State operations to ensure program efficiency, effectiveness, and integrity. Headquarters staff are responsible for program planning, policy development and issuing program regulations. In addition, they are responsible for research and evaluation activities, as well as coordination with other Federal agencies such as the Department of Health and Human Services. The agency maintains a computerized WIC vendor monitoring profile for States to use in monitoring and reporting on vendor management activities. Regional Office staff review and approve State administration and operation plans and directly monitor State and local operations.

FCS provides funds for food packages and administration of the program, including nutrition education and health care referrals. Administrative funds are allocated to States to cover the costs for certifying participant eligibility, food delivery and warehousing, vendor monitoring, nutrition education, breastfeeding promotion, health care coordination and referral, drug abuse education, financial management, program integrity, systems development, and clinic operations.

The agency will require research resources in order to measure nutritional qualifications of State and local WIC staff and other program performance measures.

Resources are required to develop and maintain related internal FCS automated systems that support program administration in this area, and to underwrite the FCS share for any State systems which qualify for Federal financial participation. Resources are also needed to train FCS employees in carrying out their responsibilities for initiatives in the above areas, as streamlining and changing program requirements force the agency to continually evaluate how to most efficiently perform its work.

■ Key External Factors Affecting Goal Achievement

The ability of FCS to achieve these objectives will be affected by several factors. Because WIC is not an entitlement program, levels of funding are particularly important. Consequently, the extent and amount of future rebates will affect FCS' ability to meet its participation target. Rebates will also affect the extent to which the agency will be able to meet the target for food package costs.

In addition, the WIC program's goal achievement could be affected by potential legislative changes in the overall public health service structure and in changes in health provision that are occurring throughout the health care industry. These changes could affect those who participate in the program and the services they receive. Lastly, goal achievement will likely be affected by technological advances such as Electronic Benefit Transfer (EBT).

■ Partnerships and Coordination

State health agencies are FCS's major partners in administering the WIC program. On Indian reservations the program is administered by Indian Tribal Organizations. Hospitals and the medical community support WIC breastfeeding activities. The Healthy Mothers, Healthy Babies coalition continues its efforts. FCS also works closely with the National Association of WIC Directors (NAWD) to improve various aspects of the Program, e.g., increased breastfeeding of infants.

WIC cooperates with the Department of Health and Human Services' Maternal and Child Care Program. In addition, FCS collaborates with the National Center for Health Statistics in collecting health data through the National Maternal and Infant Health Survey. FCS works closely with the Centers for Disease Control and Prevention to identify any nutrition and health risks for WIC participants, including defining and achieving mutual immunization goals.

■ Program Evaluation

The WIC program has three general categories of participants: women, infants, and children. Past research has measured the improved health outcomes of program participation for pregnant women. These improved health outcomes resulted in significant cost savings. In 1990, FCS issued a report stating that prenatal WIC participation was associated with substantial savings in Medicaid costs for newborns and their mothers during the first 60 days after birth in five States. Estimated savings in newborn Medicaid costs from birth through 60 days associated with prenatal WIC participation ranged from \$573 to \$744 per birth. The agency will keep improved health outcomes for

program participants as an objective in order to continue making progress on these measures. In addition, the agency will measure the health outcomes of the other two categories of program participants. FCS will use several currently available information sources to measure progress on this objective, such as the National Health and Nutrition Examination Survey conducted by DHHS.

Another objective in this plan is to improve program efficiency. Recent analyses of the WIC program have focused on the impact of infant formula rebates in terms of cost savings. Based on the most recent infant participation and contract data, FCS estimates that the rebate for milk-based infant formula will average \$2.26 per can in fiscal year 1997. Total rebate revenues are projected to be about \$1,100 million. The rebate projection will support nearly 1.7 million participants, about 23 percent of the estimated average monthly caseload in fiscal year 1996. Given the significant savings involved, the agency will continue to use rebates as a cost containment strategy. In fiscal year 1997, the agency will also begin a study of program management issues such as vendor abuse and the loss of food funds in the program. This study will provide FCS insight into how these issues could affect program food costs.

The desired outcome of these and other efficiency strategies is to reduce the food costs per participant. Therefore, food costs per participant will be a measure of program performance on this objective. With reduced food costs per participant, the agency wishes both to administer an efficient program and also to increase its ability to serve more eligible non-participants. Therefore, the other measure of this objective is percentage of eligibles served.

Additional funds resulting from cost savings will allow the program to serve more eligibles. Another strategy to serve eligible non-participants will be to ensure that potential participants have access to the program. FCS is currently conducting several studies that examine issues of program access. One study focuses on the access needs of a specific target group in the WIC program—adolescents. The Geomapping study is examining the location of providers in several programs, including WIC, and their proximity to program participants.

One of the primary purposes of the WIC program is to improve the dietary practices of WIC participants through nutrition education and counseling. Currently, the agency is conducting several demonstrations examining the effectiveness and costs associated with different types of nutrition education. In providing the most effective nutrition education, it is important that WIC staff at service delivery sites have the necessary nutrition qualifications to give useful advice and counseling. Therefore, one agency objective focuses on improving the nutrition-related qualifications of WIC staff. Past measures of these qualifications have been collected in a national survey conducted by the Association of State and Territorial Public Health and Nutrition Directors (ASTPHND). This survey will be used for future measures.

.....

Goal 4

Improved nutritional status of children in day-care settings

FCS recognizes that over the last several decades, the provision of child care has become increasingly important to many families. Because an increasing number of children are spending more hours in child care, the meals provided in these programs are playing a larger role in the children's total dietary intake. Therefore, FCS has made improving the nutritional status of these children one of its major goals.

■ Legislative Authority

National School Lunch Act of 1946, as amended (P.L. 94-105)

■ Objective 4.1

Improved nutritional quality of Child and Adult Care Food Program (CACFP) meals.

Time Frame for Completion

The estimated completion date is Summer, 2001.

Strategies for Achieving the Objective

- Establish baselines for CACFP meals.
- Implement nutrition education activities.
- Adapt appropriate nutrition education materials for use in child care centers and family day care homes.

Performance Measures

- Percent of CACFP centers serving meals that meet the *Dietary Guidelines* and the RDAs.
Baseline: Under development
Target: To be developed

■ Objective 4.2

Improved program integrity.

Time Frame for Completion

The estimated completion date is Summer, 2001.

Strategies for Achieving the Objective

- Improve State screening of child care institutions/sponsors' applications.
- Improve program compliance through training.
- Improve State monitoring of institutions/sponsors.
- Improve program targeting to low-income providers and children.

Performance Measures

- Incidence of sponsor/site error and mismanagement
Baseline: To be developed
Target: To be developed

■ Objective 4.3

Improved program targeting to, and access by, low-income, pre-school children.

Time Frame for Completion

The estimated completion date is Summer, 1999.

Strategies for Achieving the Objective

- Establish the baseline for program participation.
- Increase the proportion of low-income participants by publishing the interim tiering regulations.
- Train States on the new tiering system.
- Assess impact of tiering rule.

Performance Measure

- Percent of meal reimbursement funds going to funding daycare home providers serving low-income children

Baseline: Data from FCS-44 beginning in 1997

Target: Majority of resources going to providers serving low-income children.

■ Linkage of Goal to Performance Plan

FCS derived the annual performance goals for Goal 4 directly from the FCS strategic plan. For fiscal year 1999, the three strategic objectives are broken down into three annual performance goals. Each performance goal represents a starting point upon which future progress towards achieving the strategic goal and objectives will be based. Goal 4 is linked to the budget program activity of the Child and Adult Care Feeding Program.

■ Resources Needed

CACFP is administered by the FCS. FCS develops and issues program regulations and establishes policies and guidelines. The agency provides program and administrative funds to the States. FCS also monitors and evaluates program performance. Program staff are needed to develop program plans and administer CACFP at the national level. Financial management staff are needed to ensure proper distribution of program and administrative funds to the States.

The States designate agencies to accept State-level administrative responsibility for the program. These agencies administer the program directly or through sponsors or centers. Regional Office staff are responsible for direct monitoring of State program operations, review and approval of State plans, and reporting.

Additional research funding will be needed to obtain information on several of this goal's performance measures, such as the nutritional quality of CACFP meals.

Resources are required to develop and maintain related internal FCS automated systems that support program administration in this area, and to underwrite the FCS share for any State systems which qualify for Federal financial participation. Resources are also needed to train FCS employees in carrying out their responsibilities for initiatives in the above areas, as streamlining and changing program requirements force the agency to continually evaluate how to most efficiently perform its work.

■ Key External Factors Affecting Goal Achievement

Recent Federal reforms in welfare and child care may affect the number and types of children participating in CACFP. Changes include a new rate structure for family daycare home providers and new DHHS daycare subsidies. Welfare reform work requirements will also increase the demand for daycare for low-income households.

■ Partnerships and Coordination

FCS administers CACFP through State education or State health agencies. They are responsible for authorizing and certifying program sponsors and providers as well as monitoring program operations.

Within USDA, FCS works with the CSREES and the Center for Nutrition Policy and Promotion to develop nutrition education materials to be used by daycare providers. The Food Safety and Inspection Service provides technical assistance on food safety issues.

The agency also coordinates its feeding activities with the Department of Health and Human Services.

■ Program Evaluation

FCS has previously conducted one national study of CACFP measuring meal quality, the first objective of this goal. The study concluded that a major CACFP strength was the nutritional quality of its meals, especially their nutrient density. The issue of nutritional quality of CACFP was also addressed in several smaller studies which again found that the program was important in providing half or more of the children's RDAs for many nutrients.

In 1993, the agency began a new national study of CACFP which will update the measure of the nutrient composition of CACFP meals and the nutritional composition of CACFP meals actually consumed by children while in child care. This study will be different from prior measurements in that it will measure both the RDAs and the *Dietary Guidelines* where appropriate. This study will provide the baseline against which future measures will be compared.

This study is also examining CACFP food preparers' awareness of basic principles expressed in the *Dietary Guidelines* and their food purchasing and meal preparation practices. As with Goal 2, the agency believes that nutrition knowledge on the part of food preparers will result in improved nutritional quality of the meals. Lastly, the study will measure the percent of low-income children participating in the program. This will update the prior measures of low-income participation needed for Objective 3.

In fiscal year 1997, FCS is mandated by Congress to begin a new study focusing on the CACFP family daycare homes (FDCHs) type of care. This study will measure the nutritional quality of meals provided in homes and the percent of low-income children participating in the homes. Both of these will provide updates to the 1993 study for FDCHs.

Goal 5

Low-income children consume nutritious lunches when school meals are not available

Goal 5 seeks to extend the Agency's commitment to low-income children during the summer time when school meals are not available. Like the School Meals Initiative for Healthy Children goal, this goal reflects the agency's commitment to meeting its responsibility to ensure the health of children.

■ Legislative Authority

National School Lunch Act of 1946, as amended (P.L. 94-105)

■ Objective 5.1

Increased children's participation in the Summer Food Service Program (SFSP).

Time Frame for Completion

The estimated date for completion is indefinite.

Strategies for Achieving the Objective

- Remove barriers to sponsors participation, particularly schools.

Performance Measure

- SFSP participation as a percent of NSLP free/reduced-price participation
Baseline: 15 percent (fiscal year 1996)
Target: 17 percent (2002)

■ Objective 5.2

Improved meal quality.

Time Frame for Completion

The date for completing this task is indefinite.

Strategies for Achieving the Objective

- Assess nutrition quality of meals in SFSP.

Performance Measure

- Baseline measures established for percent of providers serving meals consistent with *Dietary Guidelines* and RDAs
Baseline: Not available
Target: Baselines established

■ Objective 5.3

Increased program integrity among sponsors.

Time Frame for Completion

The time required is indefinite.

Strategies for Achieving the Objective

- Improve State ability to manage and monitor the program.
- Improve program monitoring.

Performance Measures

- Incidence of sponsor error and mismanagement
Baseline: To be developed
Target: To be developed

■ Linkage of Goal to Annual Performance Plan

Goal 5 and its three corresponding strategic objectives were the direct sources for developing the Annual Performance Plan. The three annual performance goals for fiscal year 1999 were derived directly from the strategic objectives and represent what

FCS plans to achieve this year in meeting the strategic goal. Goal 5 is linked to the budget program activity of the Summer Food Service Program.

■ Resources Needed

FCS Headquarters staff develop program regulations, establish policies and guidelines, and administer the Summer Food Service Program at the national level. The agency must monitor State compliance with program rules, provide funds for meals served and related State and local administrative expenses, and provide technical assistance and nutrition education. Financial management staff must issue letters of credit to the States.

Regional Office staff are needed to review and approve applications for program sponsors and to monitor State operations directly. Regional Office staff must also conduct administrative funding evaluations, audits, and management evaluations.

The agency requires research funds to measure SFSP participation as a percent of NSLP free/reduced-price participation and to measure the nutritional quality of SFSP meals.

Resources are required to develop and maintain related internal FCS automated systems that support program administration in this area, and to underwrite the FCS share for any State systems which qualify for Federal financial participation. Resources are also needed to train FCS employees in carrying out their responsibilities for initiatives in the above areas, as streamlining and changing program requirements force the agency to continually evaluate how to most efficiently perform its work.

■ Key External Factors Affecting Goal Achievement

The ability of FCS to achieve these objectives will be affected by several factors. Both the amount of funding provided to the program and legislative changes in rate structures may affect the number of low-income children participating the SFSP. In turn, this will affect the ability of FCS to reach these children with food and nutrition programs. In addition, decreased research funding may jeopardize the agency's ability to measure program performance and results.

■ Partnerships and Coordination

In most States SFSP is administered by the State education agency or other public service agency. They are responsible for recruiting and monitoring sponsors and providers. The agency cooperates with advocacy groups in working to improve targeting and the quality of meals provided.

Within USDA, FCS works with FSIS to improve food safety at SFSP sites.

■ Program Evaluation

Objective 1 of this goal focuses on increasing program participation. FCS is conducting, or has conducted, several studies that examine issues of program access that could lead to increased program participation. The SFSP is a major focus of the Geomapping study. This study examines the location of providers in several programs and their proximity to and access by those eligible for the program. The agency also addressed access issues in a 1989 demonstration that allowed private, nonprofit sponsors to participate in the program in order to expand the number of providers available to children. The demonstration indicated that the addition of private, nonprofit sponsors could indeed expand program access and, therefore, children's participation. However, FCS does not have, and does not plan to have, any direct measure of these objectives in the foreseeable future due to funding constraints.

Goal 6

Improved quality of food distribution commodities and service

A key emphasis of FCS is to promote the health of FCS program participants by improving the nutritional profile of USDA commodity offerings, while maintaining the Department's support for domestic agricultural markets. Commodity assistance programs primarily provide commodities for soup kitchens, food banks, and emergency feeding organizations. These organizations typically serve some of the most vulnerable populations. In addition, commodities are provided to school nutrition programs. While improving the nutritional profile of commodities, FCS also supports the Department's search for opportunities to improve customer service and streamline administration.

One of FCS' goals is to improve the healthfulness of the commodities distributed by both increasing the quantity of foods that promote the recommendations of the *Dietary Guidelines for Americans*, as well as improving the nutritional profile of other types of commodities. Toward this end, FCS will need the cooperation of AMS and FSA to identify and purchase healthful foods.

■ Legislative Authority

National School Lunch Act of 1946, as amended (P.L. 79-396)
 Agriculture and Consumer Protection Act of 1973, as amended (P.L. 93-86)
 Emergency Food Assistance Act of 1983, as amended (P.L. 98-8)
 Food Stamp Act of 1977, as amended (P.L. 95-113)

■ Objective 6.1

Distribute commodities that support the nutrition objectives of FCS programs (TEFAP, FDPIR, CSFP, NSLP).

Time Frame for Completion

The time required is 5 years.

Strategies for Achieving the Objective

- Add, modify, or delete foods from the foods-available list provided to commodity customers to achieve a more healthful overall mix of commodity offerings.
- Continue to maintain the list of commodities available for each program and periodically identify the need to make changes.

Performance Measures

- Nutritional profile of commodities
Baseline: To be developed
Target: To be established
- Food packages support nutrition recommendations and the Food Guide Pyramid. (Yes/no measurement)
Baseline: Under development (Assessment of household food packages by agency technical staff)
Target: Food packages conform to nutrition recommendations and Food Guide Pyramid

■ Objective 6.2

Improved program efficiency.

FCS will continue its efforts to reduce paperwork and attempt to automate processes where applicable. Further, the agency plans to improve inventory control and on-time delivery of commodities. Achieving this objective will require working cooperatively with the Agricultural Marketing Service and the Farm Service Agency to improve services such as delivery and resolution of commodity complaints.

Time Frame for Completion

The time required is indefinite.

Strategies for Achieving the Objective

- Implement enhanced software support and ongoing technical assistance that allows for expansion of the Electronic Data Interchange (EDI) system used by State distribution agencies.
- Identify other current business functions that are not automated and modify as needed.
- Revise requirements for monitoring, record keeping, and reporting imposed by FCS on State and local agencies and take action to reduce them.

Performance Measures

- Number of business functions that are automated, including Processed Commodity Inventory Management System functions
Baseline: Under development
Target: To be developed
- Percent reduction in Federal and State inventories.
Baseline: Under development
Target: To be developed
- Number of States distributing agents using the Electronic Data Interchange
Baseline: 23 (1997)
Target: 50 (2002)

■ Objective 6.3

Improved service for commodity customers.

Time Frame for Completion

The estimated time required is 5 years.

Strategies for Achieving the Objective

- Work with AMS and FSA to improve the predictability of delivery and receipt of orders to schools.
- Develop and implement improved means of periodic communication with commodity customers.
- Periodically survey customer satisfaction with commodities and implement improvements as appropriate.

Performance Measures

- Proportion of customers satisfied with food distribution services
Baseline: Under development
Target: To be developed
- Percent of deliveries that are shipped and received within the specified time-frames
Baseline: Under development.
Target: To be developed

■ Objective 6.4**Support the USDA gleaning initiative for foods used in the FCS feeding programs and/or distributed by FCS programs.**

Gleaning allows for apparently wholesome food or grocery products to be donated by the owner for free distribution to the needy or for donation to a nonprofit organization for distribution to the needy.

Time Frame for Completion

The time required is indefinite.

Strategies for Achieving the Objective

- Coordinate with Department's activities.
- Inform States that administrative funds can be used for gleaning.

Performance Measures

- Percent/number of SFAs that glean food
Baseline: To be developed
Target: To be developed
- Incidence of gleaning by emergency food organizations
Baseline: To be developed
Target: To be developed

Linkage of Goal to Annual Performance Plan

Goal 6, Improved Quality of Food Distribution Commodities and Service, comprised four strategic objectives. FCS analyzed these four objectives and used the results to develop 11 annual performance goals representing what the agency plans to achieve during fiscal year 1999. Performance goals for subsequent years will build on this initial achievement. Goal 6 is linked to the budget program activity of the Food Distribution Program.

Resources Needed

FCS staff are needed to act on behalf of the Department in administering this program. FCS must provide assistance to distributing agencies and evaluate all levels of program operations to assure that the goals of the program are achieved in the most effective and efficient manner possible. FCS must develop and issue guidance and instructions which must be followed by distributing agencies. Regional Office staff work with State distribution agents to identify food distribution needs. FCS coordinates the necessary food buys with the Agricultural Marketing Service and the Farm Service Agency.

Resources are required to develop and maintain related internal FCS automated systems, such as the Processed Commodities Inventory Management System (PCIMS) and

EDI, and to underwrite the FCS share for any State systems which qualify for Federal financial participation. Resources are also needed to train FCS employees in carrying out their responsibilities for initiatives in the above areas, as streamlining and changing program requirements force the agency to continually evaluate how to most efficiently perform its work.

Resources will be needed to obtain measures of program performance for Objective 1, of distributing commodities that support nutrition objectives of FCS programs.

■ Key External Factors Affecting Goal Achievement

Achievement of these objectives is dependent upon several factors over which USDA has little control. First, improvement of the USDA commodity nutritional profile will partially depend upon the scientific ability of the food industry to produce products that meet USDA specifications for health. Secondly, USDA commodity offerings are dependent on market availability and price, and in many cases must support surplus removal and price support objectives.

■ Partnerships and Coordination

FCS coordinates with the Farm Service Agency and the Agricultural Marketing Service in the selection and purchasing of commodities. The agency works closely with State and local food distribution agencies to streamline program information by automating business functions.

■ Program Evaluation

FCS will use several mechanisms to measure the agency's performance on the Food Distribution Program (FDP) goal and objectives. FCS surveys States annually to determine the acceptability of the commodities provided. These past surveys will provide the baseline measurement for Objective 3. Additionally, when new products are distributed, USDA often pilot-tests these products at a limited number of sites. Program cooperators are then asked about the acceptability of the commodities. This information will be used as additional measures of Objective 3.

The Commodity Improvement Council is composed of several USDA agencies. A review of the USDA commodity nutritional profiles directed by the Council indicated that a significant number of commodities could be modified to meet the *Dietary Guidelines*. This review will be used, where appropriate, as a baseline measure for Objective 1.

Management Initiatives

These initiatives reflect the agency's commitment to quality administrative and financial services, delivered through a capable and well-trained staff. For the agency to be able to fulfill its mission, it must continually maximize the effectiveness and efficiency of its human, financial, procurement, physical, and information resources. In addition, the agency is committed to providing equality of opportunity for its employees, promoting an organizational culture that values individual differences, and assuring fairness in the delivery of its program benefits.

Maximum achievement of FCS' initiatives requires that mission area administrative and management functions support program goals. These support function areas include financial management, administration, and information technology. FCS, therefore, will work with Departmental offices (such as the OCFO, the CIO, and OBPA) in supporting an overall integrated approach for the Department.

FCS' administrative and financial support functions support both FCS and the Center for Nutrition Policy and Promotion.

■ Management Initiative 1

Continually improve the quality, effectiveness, and diversity of the FCS workforce.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Continually improve the FCS workforce by selecting and retaining top-quality individuals, and improving employees' skills.
- Continually improve the diversity of the FCS workforce.
- Continually improve the skills of the FCS workforce by developing and executing a Central Training Plan reflecting the agency's employee development priorities.
- Improve the effectiveness of the FCS workforce by improving the physical work environment.
- Implement the agency Infrastructure Modernization initiative throughout FCS to ensure that Headquarters, Regions, and Field Offices have updated technology tools that are supported by state-of-the-art hardware; and continue to review and streamline existing processes as appropriate.
- Improve overall FCS communications capabilities by upgrading and enhancing the telecommunications infrastructure, ensuring its compatibility with Department-wide USDA information technology.

Performance Measures

- Retention of new employee cohort for first 2 years, followed by comparison of average performance rating of new employee cohort with average performance rating of all employees, for next 3 years
Baseline: To be developed
Target: To be developed
- Percent of agency employees who have Agency-standard desktop hardware and software and are trained in their use
Baseline: 78% hardware and software saturation; 68% training
Target: 98% in both areas
- Percent of minorities and women in senior-level positions
Baseline: Fiscal year 1996 FCS work force profile, GS-13 and above
Target: Civilian labor force percentage
- Extent of diversification in pools of applicants for all job selections
Baseline: To be developed
Target: To be developed

■ Management Initiative 2

Maintain continued fairness in FCS program delivery.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Ensure that the agency's programs use uniform civil rights standards and procedures that result in timely, consistent, and effective enforcement of all applicable civil rights requirements.

- Implement a Complaint Prevention Program.
- Improve the handling of complaint inquiries, in order to streamline decision making in the Department's civil rights compliance and enforcement functions.

Performance Measures

- Number of complaints with merit filed with FCS
Baseline: 427
Target: No increase, after proportional adjustments are made reflecting participation changes
- Timeliness of disposition
Baseline: 90 days
Target: 60 days
- Number of appeals
Baseline: 2
Target: No increase, after proportional adjustments are made reflecting participation changes

■ Management Initiative 3

Users have accurate, timely, financial data available for decision making.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Successfully implement FCS' agency application of the Department-wide Foundation Financial Information System (FFIS).
- Implement new or revised Department and Government-wide financial standards and policies.
- Improve data integrity.
- Enhance budget development process and presentation.

Performance Measures

- Unqualified opinion on the Financial Statement Audit
Baseline: Disclaimer (1994)
Target: Unqualified Opinion
- FCS' agency application of the Department-wide Foundation Financial Information System (FFIS) is successful.

■ Linkage of Goals to Annual Performance Plan

There are three financial and administrative support initiatives which were analyzed and broken down into nine annual performance goals for FY 1999. The annual performance goals will lead to the attainment of the three initiatives. FCS derived the annual performance goals directly from the strategic plan after an analysis of what outcomes, activities, and outputs were needed to achieve the initiatives.

■ Resources Needed

FCS needs sufficient administrative support staff at the headquarters and regional levels to ensure the integrity of billions of Federal dollars, and to support the FCS workforce so that the effectiveness and efficiency of program delivery are maximized.

The FCS administrative appropriation provides Federal operating expenses for the agency's nutrition assistance programs. This administrative appropriation represents less than one-third of 1 percent of the agency's total budget authority. FCS represents more than 70 percent of the budget of the U.S. Department of Agriculture, yet it employs fewer than 2 percent of the USDA workforce.

Since 1980, FCS has downsized from 2,762 staff years to 1,740 staff years (more than a 35% reduction). In order to maintain program integrity, keep pace with new legislation (such as Welfare Reform, the Healthy Meals for Healthy Americans Act, GPRA, GMRA, FFMIA, FMFIA, and the CFO Act), and create a workforce that can produce more with less, efficient use of human and financial resources is required.

Management and financial management staff are needed to:

- Develop and monitor the agency's budget;
- Manage all contracts, small purchases, and grants;
- Provide accounting services and control of agency funds;
- Provide human resource services, and manage labor management and employee relations activities;
- Assure the collection and reporting of accurate financial and program data;
- Provide and maintain office space, supplies, and furniture;
- Obtain and maintain computer hardware, software, and telecommunication services;
- Develop systems and operations that will improve data and resource integrity, as well as comply with Departmental and Government-wide policies and systems;
- Assure fairness in the delivery of FCS programs; and
- Improve the quality, effectiveness, and diversity of the FCS workforce.

In addition to the above ongoing activities, existing resources will be allocated to carry out the Strategies under this goal. However, additional resources will be required to fully achieve these objectives. Additional staff and funding are required to develop and execute a Central Training Plan reflecting the agency's employee development priorities and to complete the Agency Infrastructure Modernization initiative.

Increased need for financial statement oversight by FCS Regional and Headquarters program personnel as well as by State and local personnel is extensive. The ability of FCS, State, and local governments to obtain resources to provide this oversight is not likely. A number of Federal departments are being faced with this same issue. OMB is addressing the issue but near-term solutions are not likely. FCS is doing everything possible to overcome these resource deficiencies.

■ Key External Factors Affecting Initiative Achievement

Achievement of these initiatives is dependent upon several factors over which FCS has little control, e.g., Congressional appropriations, Office of Management and Budget streamlining directives, Departmental restrictions and imposed costs, regulatory reform, rapid technology change, and environmental and safety and health requirements.

The major outside determinant of FCS's receiving an unqualified opinion from USDA's OIG is accounts receivable. Accounts receivable represent principally claims against households that have been over-issued food stamp benefits. States are responsible for determining participant eligibility, benefit distribution, tracking, collecting, and reporting food stamp recipient claims. States report quarterly household claims summary information to FCS on the status of claims and collection amounts.

OIG has found some deficiencies in several State and local food stamp recipient claims reporting systems. This presents a problem which is to a large extent out of FCS' direct control. FCS is dependent on the State and local agencies and their ability to report accurate and reliable information.

Because FFIS is a Department-wide effort, the successful implementation of this system is largely under the Department's control.

■ Partnerships and Coordination

FCS works closely with the USDA Office of the Chief Financial Officer to coordinate implementation of Department-wide and Government-wide financial standards, policies, procedures, and systems.

FCS works closely with the USDA Office of Budget and Policy Analysis and the Office of Management and Budget to formulate the Department's budget submission to OMB and Congress.

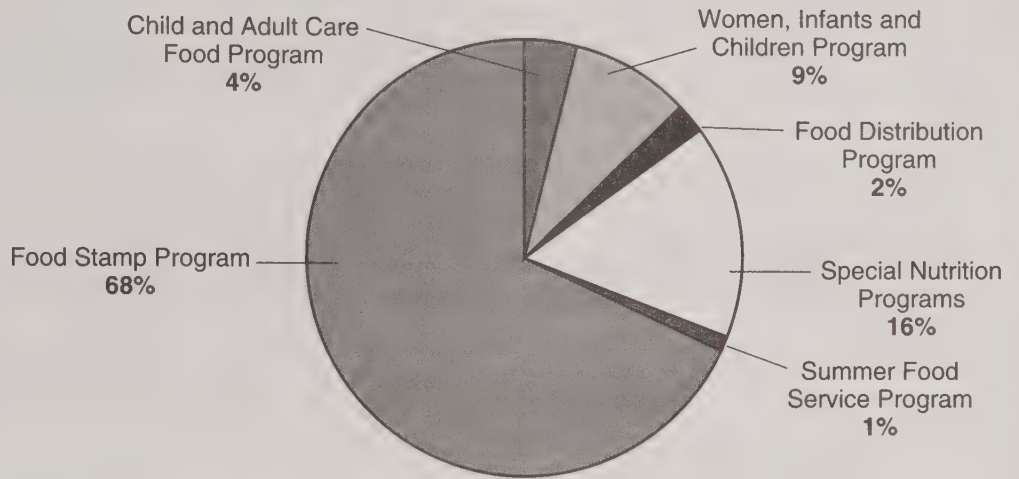
FCS works closely with the USDA Office of Inspector General to ensure the integrity of FCS financial statements.

■ Program Evaluation

For many years, FCS has analyzed program, fiscal, and administrative data and work processes to evaluate the effectiveness of its policies, procedures, and systems. This work has led to the development of improved systems, such as the Agency Financial Management System, the Food Stamp Program Integrated Information System, the Special Nutrition Programs Integrated Information System, the Automated Funds Control System, the National Data Bank, and the forthcoming Department-wide Foundation Financial Information System. These systems, coupled with revised administrative and financial procedures, help to manage the financial and administrative data of the agency, and have provided baseline data that will contribute to further effectiveness and improvement in years to come. In addition, a new Employee Work Life Survey, first distributed to FCS employees nationwide in the first quarter of fiscal year 1997, provides baseline data against which future progress can be measured.

Such baseline data, and new data as it is collected—in tandem with independent audits and customer surveys—will allow FCS to assess the effectiveness of its financial and administrative services. FCS will use the data to measure and evaluate its operations and move in the direction of more effective and efficient support for agency decision-making related to this goal.

**FCS Fiscal Year
1997 Program
Budget
Resources.....**



The chart above provides a breakdown of the Food and Consumer Service fiscal year 1997 program budget resources. FCS administers 15 food assistance programs, the majority of which are entitlement programs with mandatory funding levels. This chart represents food assistance program funding decisions by Congress. It does not reflect executive branch management decisions.

FCS

FCS

Food Safety Mission Area

Food Safety and Inspection Service (FSIS) Strategic Plan.....



Table of Contents

Introduction	4-3
Partnerships and Coordination	4-4
Key External Factors	4-4
Mission	4-5
Goals	4-6
Management Initiatives	4-12
Linkage of Goals to Annual Performance Plan	4-14
Resources Needed	4-14
Program Evaluation	4-15
Role of External Entities	4-16



Introduction

The Food Safety and Inspection Service (FSIS) was established by the Secretary of Agriculture on June 17, 1981, pursuant to legislative authority contained in 5 U.S.C. 301 which permits the Secretary to issue regulations governing the United States Department of Agriculture (USDA). The Service is responsible for regulating the meat, poultry, and egg products industries to ensure that meat, poultry, and egg products moving in interstate commerce or exported to other countries are safe, wholesome, and accurately labeled.

Legislative mandates provide FSIS with the authority to conduct its public health mission. The Meat Inspection Act of 1890 assured European markets that meat from the United States was safe for export. The Federal Meat Inspection Act of 1906 required Federal employees to inspect all meat and meat products moving in interstate commerce; the Poultry Products Inspection Act of 1957 provided for voluntary Federal inspection of poultry and poultry products; and the Wholesome Meat Act of 1967 and Wholesome Poultry Products Act of 1968 extended inspection and enforcement requirements to products in intrastate commerce.

The Agency also tests product samples for microbial or chemical contaminants to monitor trends or for enforcement purposes. Facilities and equipment are approved by FSIS before inspection is granted, and product labels are approved by the Agency before products can be sold. FSIS administers and carries out programs requiring continuous mandatory inspection of egg processing plants producing liquid, frozen, or dried egg products to ensure that products sold are wholesome, unadulterated, and truthfully labeled. The Agency also oversees the importation of egg products to ensure that U.S. requirements are met.

Because of its food safety responsibilities and its presence in so many plants, FSIS depends upon a large and dedicated workforce to inspect the Nation's commercial supply of meat, poultry, and egg products. More than 8,100 employees carry out the inspection laws in some 6,500 meat, poultry, and other slaughtering or processing plants, and approximately 126 inplant inspectors inspect egg products. About 80 employees inspect products at point of entry into the United States. Other critical functions are performed by compliance officers, microbiologists, and other employees of the Agency.

Appropriated Agency funds provide the means for funding the Agency's inspection activities. These include primary and second shift slaughter, processing, egg, and import/export inspections as well as laboratory services, pathogen reduction activities, grants to States, other support services, and administrative costs. In addition to appropriated funds, FSIS charges fees for inspection services provided on overtime and, in some cases, holiday basis, and for voluntary services requested by the industry to accommodate business needs. The Agency also charges for accreditation of laboratories.

Despite the successes of the current program, the Agency's senior managers realized a significant gap existed between the original inspection system and the public's expectations for food safety. Foodborne illness outbreaks over the past few years alerted the Agency to the need for establishing fundamental change in the FSIS meat and poultry inspection program to improve food safety, reduce the risk of foodborne illness in the United States, and make better use of the Agency's resources.

The original inspection system largely focused on organoleptic (sensory) inspection, which was appropriate when the first major meat inspection law was passed in 1906. However, many external scientific studies deemed the original program to be inadequate for detecting hazards such as pathogenic microorganisms that can cause foodborne illness.

In February 1995, the Acting Under Secretary for Food Safety and the Executive Team issued the Pathogen Reduction/Hazard Analysis and Critical Control Point (HACCP) regulatory proposal to serve as the blueprint for the future of meat, poultry, and egg product inspection. FSIS officials knew that a process control system such as

HACCP could greatly improve food safety by identifying and controlling hazards before products reach consumers. The HACCP system, first presented at the 1971 National Conference on Food Protection, provides a more specific and critical approach to the control of microbiological hazards in foods than that provided by traditional inspection and quality control approaches. A HACCP system focuses attention on those points that directly affect safety and employs monitoring to determine whether or not these points are under control.

Through the final rule, FSIS stated its overall food safety goal, which is to reduce the risk of foodborne illness associated with the consumption of meat and poultry products to the greatest extent possible using the HACCP system approach. To underscore the fundamental significance of this shift in its approach to inspection, the Agency created as its singular goal in this strategic plan the effort to enhance the public health by minimizing foodborne illness from meat, poultry, and egg products utilizing the HACCP system.

FSIS did not formally submit its strategic plan to stakeholders for their review. However, through numerous public meetings held over the past several years, most stakeholders have become very familiar with the Agency's approach to achieving food safety through the Pathogen Reduction/HACCP regulation outlined in the plan. Once the plan is finalized, FSIS will make it available to stakeholders by distributing it to employees and posting it on the Internet-FSIS Home Page.

Partnerships and Coordination

The Agency has identified a number of cross-cutting program issues. Since the FSIS public health mission is broad in scope, the Agency has traditionally interacted with other agencies on a variety of food safety issues. One example is the President's National Food Safety Initiative. The President directed the Departments of Agriculture and Health and Human Services (HHS) and the Environmental Protection Agency (EPA) to work with consumers, producers, industry, States, Tribes, universities, and the public to identify ways to further improve the safety of the food supply. The agencies held a series of public meetings to gather information on these topics and issued a report to the President containing recommendations obtained from those meetings.

FSIS has communicated with agencies, both within and external to USDA, about common issues and interests in food safety. FSIS has contacted all USDA agencies with common interests, will share its final strategic plan with those agencies, and will continue to work with them by sharing information on food safety. Departmental issues of common interest were of such a general nature (that is, most agencies simply were interested in FSIS's ongoing food safety activities) that no common coordination of strategic plans was conducted. For agencies external to USDA, FSIS has worked with the Food and Drug Administration (FDA) and the Centers for Disease Control and Prevention (CDC) on the President's National Food Safety Initiative, has exchanged strategic plans with FDA, and has reviewed the CDC strategic plan. CDC data will be used in establishing the Agency's sentinel sites databases. FSIS has also reviewed and commented, as requested, on the strategic plans submitted by HHS, EPA, and the United States Trade Representative. While common areas of interest were again general in nature and did not require inter-agency coordination, some areas for future coordination, such as FDA's responsibility for food safety in retail establishments, will continue to be explored with those agencies.

Key External Factors

A number of key external factors could impact either favorably or unfavorably on the Agency's goal and objectives. These include the following:

- **Budget Constraints/Balanced Budget**—Current trends in reduced budgets and workforce size could impact unfavorably on the Agency's implementation of pro-

gram change and innovation, as well as on the achievement of current inspection goals.

- **Additional Outbreaks/Microbiological Mutations**—Even with a comprehensive inplant inspection system, additional outbreaks of foodborne illness can occur, depending on the handling and preparation of meat, poultry, and egg products by commercial establishments and individual consumers. The Centers for Disease Control and Prevention have identified new and emerging strains of organisms that can cause foodborne illness and have improved their reporting system. Both changes can indicate an apparent increase in illness incidence.
- **Legislative Action**—The mission and programs of FSIS are grounded in legislative mandates. Changes in Federal mandates and Acts could affect what the Agency does and how it does it.
- **Unionized Labor**—As a major stakeholder in FSIS programs, unionized labor (inspectors) could alter the conditions of implementing program change.
- **Consumer Habits**—Non-hygienic practices in the private home are still one of the primary causes of foodborne illness. Additional outbreaks are possible and could affect Agency goals and objectives.
- **Public Opinion**—To the extent that media molds public opinion, Agency goals and objectives could be modified based on media pressure.
- **Special Interest Groups**—Consumer and industry organizations could advocate modification of Agency activities and methods, resulting in different program expectations and goals.
- **New Technologies**—New inplant equipment and processes could impact program objectives through faster processing times and through the need for more product testing and sampling, resulting in a different allocation of resources.
- **New Products**—Newly developed or engineered meat, poultry, and egg products could impact program objectives through the need for more product testing and sampling, resulting in a different allocation of resources.
- **Political Imperatives**—Legislative or administrative priorities could impact Departmental and Agency leadership, which could result in new missions, programs, and goals.
- **Trade Issues**—Internal and external transportation or trade issues could impact Agency goals and objectives through trade barriers or conflicting standards which could result in product delays and affect markets.

Mission

FSIS ensures that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act.

Goal 1

Enhance the public health by minimizing foodborne illness from meat, poultry, and egg products.

The goal reflects the Agency's public health responsibilities embodied in its Mission Statement and required by its legislative mandates.

The outcome of this goal is a 25% reduction in the number of foodborne illnesses associated with meat, poultry, and egg products by the year 2000. Currently, the base-

Goals

line numbers for foodborne illnesses and deaths are estimated to be five million and 4,500, respectively.

Outbreak data (two or more individuals ill from the same source) are compiled by CDC from reports that are voluntarily submitted from state and local health authorities. The laboratory reporting system for Salmonella only captures information on those cases where a patient sees a doctor, the doctor collects a culture and sends the culture to a participating laboratory and the laboratory can perform the specific diagnostic test. The estimates for overall disease incidence are derived from databases plus extrapolations of data collected from population-based studies in specific geographic areas.

Strategy to Achieve the Goal

This goal will be achieved by accomplishing all the daily tasks necessary to satisfy objectives in pathogen reduction, President's National Food Safety Initiative, farm-to-table food safety strategy, Agency cultural change, and international cooperation on food safety. The goal is linked to each objective by the pathogen reduction requirements of the Agency's Pathogen Reduction/HACCP regulation.

The Agency recently reorganized to improve its efficiency and effectiveness in implementing its new food safety regulation. Much of the responsibility for implementation of GPRA in field locations will rest with the new District Managers, who supervise the Agency's field offices. FSIS has allocated substantial autonomy to the District Managers and will be looking to them to oversee the accomplishment of the many tasks outlined in the strategic plan.

As FSIS is only one part of the farm-to-table continuum, quantitatively assessing its contributions to improving public health is very difficult. Many Federal agencies have a role and responsibility in meat, poultry, and egg product life span from production through consumption. The Agency has focused its goal for improving food safety on its inplant inspection authority over meat, poultry, and egg products. Therefore, the Agency's goal can't be measured directly. The plan's performance measures are surrogate measures for those objectives that the Agency can measure. FSIS will achieve its goal only by successfully achieving each of the six objectives.

To ensure food safety from farm-to-table, it is vital that all of FSIS's stakeholders—including other Federal, State, and local governments, producers, the industry, food handlers, and consumers—must participate to avoid duplication and to close any gaps that could compromise food safety.

Required resources to achieve the goal are detailed in the Agency's Annual Performance Plan. New regulations or flexibilities should not be required to achieve the goal.

All of the previously listed Key External Factors could affect achievement of this goal. Key Agency Programs are not listed for each objective since all program areas provide some type of support for each of the planning objectives.

■ Objective 1.1

Reduce pathogens on raw products.

Time Frame for Completion

July 31, 2000

Discussion

Implementation of HACCP and of testing for E. coli and Salmonella should result in a direct reduction of pathogens on raw products and, therefore, a reduction in the cases of foodborne illness associated with meat, poultry, and egg products.

External Factors

Budget constraints/balanced budget; additional outbreaks/microbiological mutations; new technologies; new products; political imperatives

Other Participating Agencies

HHS

Strategies for Achieving the Objective

1. Implement HACCP.
2. Implement E. coli testing.
3. Implement Salmonella testing.
4. Increase laboratory capacity to support Pathogen Reduction Rule targets.

Performance Measures

- 1a. 100% of plants will operate under federally verified HACCP plans.
Baseline: (FY 1996) no plants operate under federally verified HACCP plans.
- 1b. 100% of State plants operate under HACCP.
Baseline: (FY 1996) no State plants operate under HACCP.
- 1c. 100% of plants exporting to U.S. required to operate under equivalent HACCP.
Baseline: (FY 1996) no plants exporting to U.S. required to operate under equivalent HACCP system.
- 2a. 100% of plants are conducting routine E.coli testing to verify HACCP procedures are in place.
Baseline: (FY 1997) 100% of required plants to begin E. coli testing.
- 2b. 100% of plants exporting to U.S. are conducting routine E. coli testing to verify HACCP.
Baseline: (FY 1997) 100% of plants exporting to U.S. begin equivalent E. coli testing.
- 3a. 100% of plants slaughtering cattle, swine, chicken, and turkey are routinely tested for Salmonella incidence.
Baseline: (FY 1997) FSIS begins routine testing for Salmonella incidence in plants slaughtering cattle, swine, chicken, and turkey.
- 3b. Establishment of national baseline standards for *Salmonella*: 1% (steers/heifers), 2.7% (cows/bulls), 7.5% (ground beef), 20% (broilers), 8.7% (hogs), 49.9% (ground turkey), and 44.6% (ground chicken). All plants produce product at or below the standard, and FSIS tests all plants and takes action at those facilities where the standard is not being met.
Baseline: (FY 1996) no standard for *Salmonella* in raw meat and poultry product
- 3c. 100% of countries exporting to U.S. are conducting routine equivalent Salmonella testing.
Baseline: (FY 1997) countries exporting to U.S. begin routine equivalent Salmonella testing.
4. 225,000 tests performed annually.
Baseline: (FY 1996) no tests performed annually.

■ Objective 1.2

Establish effective working partnerships with other public health agencies and stakeholders to support the President's National Food Safety Initiative.

Time Frame for Completion

September 30, 2001

Discussion

The process for establishing partnerships to improve the safety of the nation's food supply with other public health agencies has already begun with the President's National Food Safety Initiative. FSIS is partnering with HHS, ARS, CSREES, and EPA in the areas of foodborne hazard surveillance, coordination, risk assessment, research, inspection, and education.

External Factors

Budget constraints/balanced budget; additional outbreaks/microbiological mutations; public opinion; special interest groups; political imperatives

Other Participating Agencies

FDA, CDC, ARS, CSREES, EPA

Strategies for Achieving the Objective

1. Expand Foodborne Disease Active Surveillance Network (FoodNet) capability.
2. Improve Federal-State-local coordination of and response to foodborne illness through the leadership of the intergovernmental group Foodborne Outbreak Response Coordinating Group (FORCG).
3. Identify and quantify food safety risks.
4. Provide scientific leadership in identifying and addressing food safety hazards by developing and promoting the Agency's data collection and research agenda.
5. Establish partnerships with other Federal-State food safety agencies to improve inspections and compliance.

Performance Measures

1. Determine the extent to which foodborne illness is attributable to meat, poultry, and egg products.
Baseline: (FY 1995) surveillance program conducted to determine the incidence of foodborne illness nationally.
2. Establish standard operating procedures for coordination of foodborne illness outbreaks and other food safety emergencies.
Baseline: (FY 1995) no standard operating procedures for coordination of foodborne illness outbreaks and other food safety emergencies.
3. Improve the quality and scope of risk assessments and begin one new risk assessment.
Baseline: (FY 1997) one formal risk assessment in progress.
4. Initiate projects in high priority research areas.
Baseline: (FY 1996) identify 35 high priority research needs.
5. Conduct reviews of very small plants operating under State inspection.
Baseline: To be determined

■ Objective 1.3

Promote food safety from farm-to-table.

Time Frame for Completion

September 30, 2002

Discussion

FSIS is only one part of the farm-to-table continuum. In areas where FSIS does not have direct authority, the Agency will collaborate with Federal, State and local agencies and with other stakeholders to encourage food safety practices and to offer assistance where appropriate.

External Factors

Budget constraints/balanced budget; additional outbreaks/microbiological mutations; legislative action; consumer habits; public opinion; special interest groups; new technologies; new products; political imperatives; trade issues

Other Participating Agencies

APHIS, ARS

Strategies for Achieving the Objective

1. Collaborate with stakeholders to address food safety risks in animal production.
2. Improve food safety during transportation and distribution.
3. Expand communications on food safety information to the general public through partnerships.
4. Encourage the adoption of the Food Code by State and local governments.
5. Provide training and technical assistance to improve compliance with States' retail and food service food safety programs.
6. Increase industry compliance with food safety standards.

Performance Measures

1. Increase collaborative initiatives undertaken by 75% to 14.
Baseline: (FY 1997) eight collaborative initiatives in Animal Production undertaken.
2. Implement a comprehensive strategy to improve food safety during transportation and distribution.
Baseline: (FY 1996) published Advance Notice of Public Rulemaking for transportation and distribution.
3. Increase the number of people reached by 50% to 165 million.
Baseline: (FY 1997) 110 million people reached with food safety information.
4. Meat, poultry and egg products portions of the Food Code adopted by 30 States.
Baseline: (FY 1996) Food Code adopted by one State.
- 5a. Develop information and implement strategies to improve commercial food safety practices.
Baseline: (FY 1997) identify unsafe retail food safety practices.
- 5b. Provide technical assistance to harmonize meat, poultry, and egg products standards and enforcement at retail.
Baseline: (FY 1997) training teleconference series initiated on food service safety programs.
6. Consistent high compliance achieved from slaughter through retail.
Baseline: (FY 1996) compliance activities focused on slaughter and processing plants.

■ Objective 1.4

Complete the necessary cultural change to support HACCP and food safety.

Time Frame for Completion

September 30, 2002

Discussion

FSIS recognizes that the major cultural change embodied in the Pathogen Reduction/HACCP regulation requires a commitment to train employees and to establish an environment that promotes such change. FSIS will develop specific programs to train inspectors and other employees to carry out the re-defined regulatory tasks and procedures. Industry must review its operations as well.

External Factors

Budget constraints/balanced budget; unionized labor; new technologies; new products

Other Participating Agencies

OGC

Strategies for Achieving the Objective

1. Train the workforce to carry out the re-defined regulatory tasks and procedures generated by the Pathogen Reduction and HACCP rule.
2. Clarify and emphasize industry's responsibility for food safety through regulatory reform.
3. Train inspectors to carry out new slaughter inspection methods as they are developed and implemented.
4. Promote new technologies to enhance food safety.
5. Establish a Management Development Academy.
6. Centralize the management of all policy, rulemaking, and program development activities to reform existing regulations and eliminate layering.

Performance Measures

1. 100% of employees trained in HACCP and new inspection techniques required by a HACCP system.
Baseline: (FY 1996) no employees trained in new HACCP rules and new inspection techniques required by a HACCP system.
- 2a. 100% of plants operate under federally verified HACCP plans.
Baseline: (FY 1996) no plants operate under federally verified HACCP plans.
- 2b. 100% of State plants operate under HACCP.
Baseline: (FY 1996) no State plants operate under HACCP.
3. Inspectors trained as new slaughter methods are developed.
Baseline: (FY 1997) no inspectors trained in new slaughter inspection methods.
4. (1) Actively solicit proposals for new food safety technologies.
(2) encourage companies to develop and demonstrate new technologies.
(3) establish flexible procedures which encourage pilot testing new technologies.
(4) develop streamlined review procedures for new technologies.
Baseline: (FY 1995) proposed new technologies reviewed under existing facilities and equipment policies.

5. A total of 500 managers trained at Management Academy.
Baseline: (FY 1997) decision to establish a Management Academy.
- 6a. 80% of regulatory standards performance-based.
Baseline: (FY 1996) no regulatory performance-based standards.
- 6b. Increase number of pages of regulations eliminated or re-invented to 430.
Baseline: (FY 1997) 50 pages of regulations eliminated or re-invented.

■ Objective 1.5

Promote international cooperation on food safety.

Time Frame for Completion

September 30, 2002

Discussion

The Agency will promote international cooperation and acceptance of HACCP equivalent systems to assure the safety of the domestic food supply through the application of appropriate domestic food safety standards to imported products. FSIS will work through Codex Alimentarius to help develop international food safety standards.

External Factors

Budget constraints/balanced budget; legislative action; public opinion; special interest groups; new technologies; new products; political imperatives; trade issues

Other Participating Agencies

Codex Alimentarius, United States Codex group

Strategies for Achieving the Objective

1. Assure the safety of the domestic food supply through the application of appropriate domestic food safety standards to imported products.
2. Participate in Codex Alimentarius to improve the Codex system and to develop and adopt international food safety standards that promote fair trade.

Performance Measures

1. All imported products produced under programs with equivalent HACCP food safety requirements.
Baseline: (FY 1994) World Trade Organization "equivalency" basis for trade established.
2. (1) 1999 Codex Alimentarius Commission meeting meets U.S. objectives.
(2) new framework for adoption of international standards established.
(3) actively promote the adoption of Codex standards.
Baseline: (FY 1997) Codex Alimentarius Commission Meetings outcomes.

■ Linkage of the FSIS Goal to the USDA Secretary's Goals

Through its goal, FSIS contributes significantly to the three Departmental goals.

USDA Secretary's Goals	Linkage of FSIS Goal
1. Expand economic and trade opportunities for agricultural producers and other rural residents.	Through its goal, FSIS assures the safety of meat, poultry, and egg products, thereby contributing substantially to opening, expanding, and maintaining domestic and global market opportunities for agricultural producers.
2. Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply.	FSIS administers food safety program responsibilities through the Pathogen Reduction/HACCP regulation in its goal as part of its responsibility for ensuring that commercial supplies of meat, poultry, and egg products are safe and properly labeled and packaged.
3. Promote sensible management of our natural resources.	FSIS collaborates with other USDA agencies such as APHIS through the objectives to support producer activities to raise animals in ways that promote sustainable management of land and protect water quality.



Management Initiatives

Initiatives in administrative infrastructure contribute significantly to supporting the Agency's mission and programmatic goals because their performance measures provide important measurements of the Agency's reorganization efforts, administrative process efficiency, and computer access for field personnel. Attention to these elements will result in an Agency administrative structure that will be in conformity with Departmental guidelines and initiatives.

FSIS is committed to providing equal employment opportunity to all applicants and employees without regard to race, color, national origin, religion, sex, age, disability, marital status, or sexual orientation, in addition to facilitating full implementation of all laws, legislation, and regulations regarding Equal Employment Opportunity. The Agency strives to prevent discrimination in employment practices.

Its goals are to reach out to groups which have historically been neglected in its workforce and monitor and evaluate progress toward workforce diversity. The success of the FSIS programs depends upon eliminating the barriers that prevent fair and equal treatment for employees.

FSIS strongly supports the Secretary of Agriculture's goal of improving workforce diversity and civil rights within USDA.

■ Management Initiative 1

Establish management strategies to maximize effectiveness, efficiency, and diversity of FSIS resources to improve food safety.

Time Frame for Completion

January 1, 2002

Discussion

To redeploy as many resources as possible to the front line, FSIS will maximize the effectiveness and efficiency of its administrative processes. The Agency therefore plans to streamline administrative systems and procedures and eliminate barriers to cultural diversity in Agency hiring, promotion, training, and recognition practices.

External Factors

Budget constraints/balanced budget; legislative action; new technologies; political imperatives

Other Participating Agencies

None

Strategies for Achieving the Management Initiative

1. Consolidate and streamline headquarters and field management.
2. Streamline support structures to increase the proportion of the Agency's resources deployed to the frontline workforce.
3. Streamline and improve the effectiveness and efficiency of administrative and human resource support functions.
4. Optimize performance of the Agency's mission by ensuring access to the best employees available through the hiring, promotion, training, and recognition of a diverse workforce.

Performance Measures

1. (1) Reduce the number of headquarters units reporting to the Administrator by more than 40%.
(2) reduce the number of field management offices by more than 50%.
Baseline: (FY 1995) organizational structure and configuration.
2. Reduce non-inplant staff by 20%.
Baseline: (FY 1995) staffing levels.
3. Improve the efficiency and effectiveness of administrative and human resource support functions by 20%.
Baseline: (FY 1995) levels of efficiency and effectiveness of administrative and human resource support functions.
- 4a. Improve significantly the representation at the GS-13 level and above.
Baseline: (FY 1995) level of the workforce at the GS 13 level and above who are women, minorities, or persons with disabilities.
- 4b. Improve significantly the representation at all levels.
Baseline: (FY 1995) level of the workforce at the GS-12 level and below who are women, minorities, or persons with disabilities.

Linkage of Goals to Annual Performance Plan

The FSIS strategic plan contains one goal and six objectives with associated performance measurements. The same objectives and measurements detailed in the strategic plan will be used in the Annual Performance Plan (APP). The six objectives, written as performance goals in the APP, have been slightly modified to help Agency managers focus on the need to collect and track data for the fiscal years listed in the APP. The annual goals are written in measurable, performance-oriented terms so that annual program evaluations can more easily gauge progress for each performance goal. Maintaining a common set of objectives and performance goals provides a strong linkage between the long-range strategic plan objectives and the more output-oriented performance goals in the Annual Performance Plan.

Details of the linkage of the FSIS goal to the five Agency Program Activities (Federal Food Inspection, Import/Export Inspection, Laboratory Services, Field Automation and Information Management (FAIM), and Grants-to-States) are contained in the Annual Performance Plan.

The Agency's approach to creating its initial APP began with senior managers establishing initial objectives for the goal. Managers will then identify supporting activities, tasks, and their outcomes, which show what must be done to execute the objectives. Next, they will negotiate timeframes and resource requirements and establish performance measures for outcomes in collaboration with line managers and in conjunction with internal budgetary processes and procedures. Finally, they will prepare an evaluation plan displaying this information, and this plan will be tied to manager performance evaluations.

FSIS has established a performance measure to track the number of automation processes improved to determine how well information technology is supporting strategic and program goals. It is not considering whether any revisions will be needed to budget account and program activity structures.

Resources Needed

Several objectives in the strategic plan will be accomplished by reallocating resources, while others will require additional funding.

The Agency budget maintains inspection and continues making investments in technology, training, and science. It is expected that the implementation of the Pathogen Reduction/HACCP rule will generate the efficiencies necessary to maintain the level of inspection required to ensure the safety of the growing supply of meat, poultry, and egg products with the current level of inspection staffing. The FSIS budget maintains a frontline workforce capable of providing rigorous science-based inspection. Furthermore, the budget reflects a decision by the Administrative and the Congress to reallocate inspection resources from traditional in-plant settings to high-risk food safety areas beyond the confines of the plant. Provision is made in the budget for States administering their own inspection programs to be reimbursed by the Federal government for up to 50 percent of the cost of administering their programs.

Proposed legislation for user fees is included in the FSIS budget to recover an increased share of the cost of inspection from the industry that directly benefits from inspection services. The economic impact of such a proposal is about one-half cent per pound of inspected product.



Program Evaluation

The Agency did not conduct a formal program evaluation in creating its strategic plan. FSIS did, however, involve all stakeholders and constituencies in two distinct phases to gain valuable information about the Pathogen Reduction/HACCP regulation, a core component of the Agency's goal.

In 1993, FSIS sought to evaluate its current situation. Initially, FSIS held six meetings and hearings throughout the country, to gather comments from all constituencies on a draft strategic plan and to determine both the agency's current performance and constituent expectations for its future. FSIS sent more than 1,000 invitations to consumer groups, professional associations, academia, major industry segments, State and local governments, and other government and public health professionals.

From 1995 through 1996, FSIS began to reshape itself in a fundamental way. The vehicle for change was the *Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems Final Rule*, published in July 1996. This regulation changes the way FSIS conducts its regulatory responsibilities. It puts the responsibility for safe meat and poultry products on the industry, with FSIS setting performance standards for pathogen control.

The regulation was developed through partnerships between FSIS and its constituents. During development, finalization, and initial implementation of the regulation, FSIS held:

- 14 Information Briefings
- 8 Scientific and Technical Conferences
- 5 Public Hearings
- 22 Stakeholder Conferences

In addition to normal communication channels, such as notices in the *Federal Register*, letters were sent to thousands of organizations representing consumers, the industry, the public health community, academia, and other Federal, State, and local agencies. The commenters raised new issues, questioned traditional wisdom, and related personal experiences. These constituent groups provided feedback which was used to craft the final version of the regulation and formed the basis for the Agency's first objective in the strategic plan.

Program Evaluation Schedule

1997 through 2002

FSIS will continue to work with its constituencies to evaluate how well they are being served by its programs. From 1998 through 2002, the Office of Policy, Program Development and Evaluation will issue advisory evaluations each quarter and will provide a formal, thorough evaluation of the objectives and targets contained in the strategic plan in February to the Administrator. Senior Agency executives will use evaluation results for improving performance when they create the next strategic plan and review the Annual Performance Plan. Managers will also utilize trend and baseline data developed from sentinel sites to review the continued appropriateness of its goal and objectives.

The main purpose of the strategic plan is to achieve a reduction in illnesses associated with eating meat, poultry, and egg products. The Office of Public Health and Science will track and analyze that information annually as the ultimate evaluation of how well FSIS is meeting its stated goal and targets.

FSIS also plans to include customer service activities as part of its program evaluation for GPRA. In 1994, as a response to Executive Order 12862, the Agency established customer service standards which reflected the Agency's inspection activity.

These standards represented broad Agency goals which communicate to customers the different types of services that they can expect from the Agency. The standards will be reviewed annually from 1998 through 2002 and should be consistent with the new inspection approach the Agency outlined in its Pathogen Reduction/HACCP regulation.

Role of External Entities

The preparation of the FSIS strategic plan was performed by a cross-functional team of Federal Agency employees. All headquarters and field communications, strategy sessions, planning meetings, etc., were conducted by in-house personnel.



Marketing and Regulatory Programs (MRP) Mission Area Strategic Plan

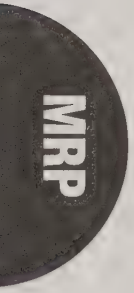
MRP

Table of Contents

Introduction	5-3
Key External Factors	5-3
Mission	5-4
Goals	5-4
Management Initiatives	5-6
Linkage of Goals to Annual Performance Plan	5-8
Resources Needed	5-8
Program Evaluation	5-9
Role of External Entities	5-9

Agencies' strategic plans

Agricultural Marketing Service (AMS)	5-11
Animal and Plant Health Inspection Service (APHIS)	5-25
Grain Inspection, Packers and Stockyards Administration (GIPSA)	5-41



Introduction

The Marketing and Regulatory Programs (MRP) mission area was created as part of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. Marketing and Regulatory Programs works to ensure a productive and competitive global marketplace for U.S. agricultural products. Each agency's programs, reflecting a variety of agency-level legislative mandates, are planned in collaboration with stakeholders and customers and delivered in cooperation with the States, local governments, and the private sector. While each agency is unique in its mission and function, there are numerous opportunities within the mission area and across government to interact in delivering services to facilitate marketing and protect agriculture.

Within USDA, the MRP agencies are closely involved with other mission areas and agencies to address cross-cutting issues. AMS works closely with the Foreign Agricultural Service (FAS) in international marketing, with the Farm Service Agency (FSA) in the strategic marketing of agricultural products, with the Food and Consumer Service (FCS) and the Cooperative State Research, Education, and Extension Service (CSREES) in outreach and education, and with the National Agricultural Statistics Service (NASS) to communicate with and obtain feedback from their customers. APHIS also works closely with FAS to maintain or expand access to foreign markets, through the application of sanitary and phytosanitary principles, with the Food Safety and Inspection Service (FSIS) on food safety issues, with the Forest Service on forest pest management, and with the Agricultural Research Service (ARS) on issues related to science and technology. GIPSA works closely with APHIS, FAS, and ARS to certify the quality and quantity of cereals, oilseeds and related crops, and to respond to sanitary and phytosanitary issues.

AMS, APHIS, and GIPSA collectively have more than 11,000 staff years, primarily agricultural marketing and health specialists, in all 50 States and many foreign countries. The agencies' total funding for FY 1997 is slightly more than \$800 million, about 1 percent of USDA spending, and represents a very small investment relative to the value of U.S. agricultural products. AMS, APHIS, and GIPSA use alternative sources of funding, such as user fees and enhanced cost-sharing, whenever reasonable, and the three agencies make every effort to use this alternative funding in an equitable manner among program beneficiaries. When practical and cost-effective, support services are shared among the three agencies.

The MRP agencies serve a diverse customer base that is sometimes divergent in terms of functions, responsibilities, resources, and technological sophistication. The MRP mission area plan responds to this diversity by identifying common issues faced by the three MRP agencies and describing broad goals and management initiatives to address them, unifying to the extent possible MRP program delivery and administrative infrastructure.

This strategic plan is supplemented by individual agency strategic and annual plans that describe program direction and performance measures and targets. The plan states the MRP mission, and it describes MRP-wide and agency-specific programmatic goals and management initiatives and how they will be achieved. It sets MRP's strategic course for the next 5 years and provides a framework for AMS, APHIS, and GIPSA planning, budgeting, and management. Further, it provides a means for communicating the commitments and expectations to the agencies' customers and employees.

Key External Factors

The achievement of the goals set out in the mission area plan will be influenced by both external and internal forces. Discussed more fully in the agency plans, these include the prevailing economic, environmental, biological, political and technological conditions in the United States and in foreign countries. There will be a continuous

evaluation process to monitor the barriers to implementing the plan and make adjustments to accomplish short- and long-range goals.

Mission The mission of **Marketing and Regulatory Programs** is to facilitate the domestic and international marketing of U.S. agricultural products and to ensure the health and care of animals and plants while improving market competitiveness and the economy for the overall benefit of both consumers and American agriculture.

Goals MRP has established two strategic goals to achieve its mission. These goals directly support the USDA goal of expanding economic and trade opportunities and contribute to ensuring a safe, affordable, and accessible food supply and sensible management of natural resources. The goal statements are followed by short strategy overviews detailing the manner in which the agencies will jointly and individually work toward accomplishment of the goals. Whereas the mission area strategic goals relate to broad directions set by MRP leadership and the combined management teams of AMS, APHIS, and GIPSA, they will be implemented through more specific goals and objectives set forth by each agency. These are documented in more detail in the respective agency's strategic plan, budget, and performance planning materials. Implementation, monitoring, and evaluation details are also included in the agency plans.

Goal 1

MRP will enhance consumer access to safe, affordable, and quality products and producer access to fair and competitive markets by developing and implementing, at a national and international level, appropriate marketing standards and plant and animal health measures.

Strategy Overview: The MRP agencies will be active and influential participants in international and national standard-setting through international organizations, bilateral and multilateral negotiations, and Federal-State cooperation. AMS, APHIS, and GIPSA will encourage industry participation in standard-setting and strengthen intra- and inter-departmental linkages and information sharing to meet customer needs.

■ Objective 1.1

AMS will reform the *Milk Marketing Order Program* pursuant to mandates of the 1996 Farm Bill.

■ Objective 1.2

AMS will improve service to customers of the *Perishable Agricultural Commodities Act (PACA) program* through modernization of licensing procedures and more timely handling of formal reparation complaints.

■ Objective 1.3

AMS will increase knowledge and compliance with *pesticide record-keeping requirements* through the education of private, certified applicators of Federally restricted use pesticides.

■ Objective 1.4

AMS will implement *national organic production and labeling standards*, and implement an accreditation and certification program using those standards.

■ Objective 1.5

APHIS will increase the degree of *harmonization of international, science-based, plant and animal health standards* and ensure that imports and exports of plants and animals and their products comply with those standards.

■ Objective 1.6

APHIS will increase the level of compliance with *standards for the humane care and treatment of animals*, including, in response to customer needs, establishing new standards.

■ Objective 1.7

GIPSA will enhance the *uniformity of grain quantity and quality measurements* to promote a more standardized framework for trade in the U.S. grain marketing system.

■ Objective 1.8

GIPSA will monitor, investigate, and analyze the livestock, meat, and poultry industries to determine if firms are engaging in any practice with the intent or with the effect of *limiting or restricting competition*. GIPSA will initiate appropriate corrective action if evidence of anti-competitive practices are disclosed.

■ Objective 1.9

GIPSA will identify and correct *unfair, deceptive, or discriminatory trade practices* in the livestock, meat, and poultry industries.

■ Objective 1.10

GIPSA will provide *financial protection to livestock and poultry producers* by ensuring subject firms and individuals comply with the payment, custodial, trust, bonding, and financial provisions of the Packers and Stockyards Act.

Goal 2

MRP will enhance consumer and producer benefits from increased trade by facilitating the global marketing of U.S. agricultural products.

Strategy Overview: AMS, APHIS, and GIPSA will take the lead in agricultural marketing and health issues that affect domestic and international marketing, recognizing these formerly separate marketplaces are becoming one. Working with States and with industry, regionalization (e.g., pest-free zones) and other sanitary and phytosanitary principles will be implemented in order to maintain the health of U.S. plant and animal production systems and expand access to international markets. Quality assurance, including international quality management systems, certification, and laboratory services supporting the marketing of agricultural products will be evaluated, improved, and expanded.

■ Objective 2.1

AMS will collect and disseminate *time-sensitive agricultural market information* for domestic and foreign markets and ensure the data reported is accurate and consistent with current and future market needs.

■ Objective 2.2

AMS will provide cost-effective *agricultural commodity quality grading/certification services* whereby market efficiency is enhanced and customer gains exceed the cost of the service.

■ Objective 2.3

AMS will provide timely and cost-effective oversight of industry initiated and financed *research and promotion programs*.

■ Objective 2.4

GIPSA will increase the efficiency of U.S. grain marketing by harnessing *technology to streamline grain inspection and weighing processes* and providing *objective measures of grain quality, quantity, and end-use value*.

■ Objective 2.5

GIPSA will protect the integrity of U.S. grain marketing by *regulating grain weighing and handling practices, and regulating the providers of official grain inspection and weighing services*.

■ Objective 2.6

To minimize economic loss, including loss of export markets, APHIS will increase its effectiveness in *managing (e.g., through pest exclusion, monitoring and detection, and control and eradication programs; and the development of environmentally sound, scientific methods) risks* posed to U.S. agriculture and ecosystems by *exotic and domestic pests and diseases*.

Management Initiatives

MRP has established three broad management initiatives that support the USDA goal of promoting effective customer service and efficient program delivery. These initiatives reflect strategies through which MRP agencies will strengthen program delivery and administrative infrastructure, including their human resource base, improving the agencies' capability to meet customer needs. The initiatives will be implemented and tracked through a variety of internal management plans, operational plans, and human resources practices, in addition to the strategic planning process.

■ Management Initiative 1

MRP will increase customer awareness of and involvement in its services.

Strategy Overview: AMS, APHIS, and GIPSA will provide opportunities for customers to make their needs and concerns known and to be involved in the design of

agency services. AMS, APHIS, and GIPSA will communicate the value and availability of MRP services by seeking opportunities and providing front-line employees with communication skills to do so, and by disseminating information through effective use of printed and electronic media. The agencies' outreach and communication processes will be streamlined to ensure timely responses to customers. Whenever practical, the three agencies will share outreach and communications resources and opportunities.

Strategies for Achieving the Management Initiative

- AMS, APHIS, and GIPSA will increase customer awareness of their programs and services.
- Consistent with their customer service strategies, AMS, APHIS, and GIPSA will increase the involvement of customers in all agency programs.

■ Management Initiative 2

MRP will provide to its customers the most efficient, entrepreneurial, and cost-effective services possible.

Strategy Overview: The MRP agencies will explore innovative ways to achieve their missions while reducing operating costs for customers. The three agencies will conduct value-added analyses of existing processes to streamline and improve programs, and will take steps to optimize the cross-utilization of the workforce. MRP will be an active participant in the reengineering of USDA administrative activities to improve service and reduce costs.

Strategies for Achieving the Management Initiative

- AMS, APHIS, and GIPSA will enhance the cost-effectiveness of agricultural marketing and health services by reengineering, streamlining, and improving program and administrative delivery systems.
- AMS, APHIS, and GIPSA will expand the use of information technology to reduce the costs of administrative systems and to provide for greater efficiency in the delivery of services to customers.
- AMS, APHIS, and GIPSA will consolidate and close field offices to reflect customer needs and reduce costs.
- AMS, APHIS, and GIPSA will actively pursue the use of alternative sources of funding (e.g., user fees and enhanced cost-sharing) whenever reasonable, and do so in an equitable manner among program beneficiaries.

■ Management Initiative 3

MRP will create and maintain a diverse and highly skilled team that delivers services to its customers with integrity and in a supportive work environment.

Strategy Overview: Consistent with the recommendations of the Secretary's Civil Rights Action Team, the MRP agencies will enhance the quality of their workforce by expanding recruitment and cultural diversity efforts, implementing programs of shared leadership and continual learning, and valuing and recognizing employee integrity.

The agencies will ensure that the competencies of MRP employees are matched with the needs of the programs and will provide employees with those competencies. The agencies will enhance the integrity of the workforce by establishing a standard of conduct for all employees and providing them with the competencies needed to meet the standard. All MRP agencies will value and recognize employee integrity.

Strategies for Achieving the Management Initiative

- AMS, APHIS, and GIPSA will diversify the workforce and maintain commitment to employ a high-quality workforce that is representative of the civilian labor force at all levels.
- AMS, APHIS, and GIPSA will enhance the quality of work life by creating a work environment that shows concern for employee safety, health, and morale.
- AMS, APHIS, and GIPSA will increase the range of opportunities and effectiveness of processes for continual learning for all employees in a work environment that supports continuous improvement in service delivery.

MRP

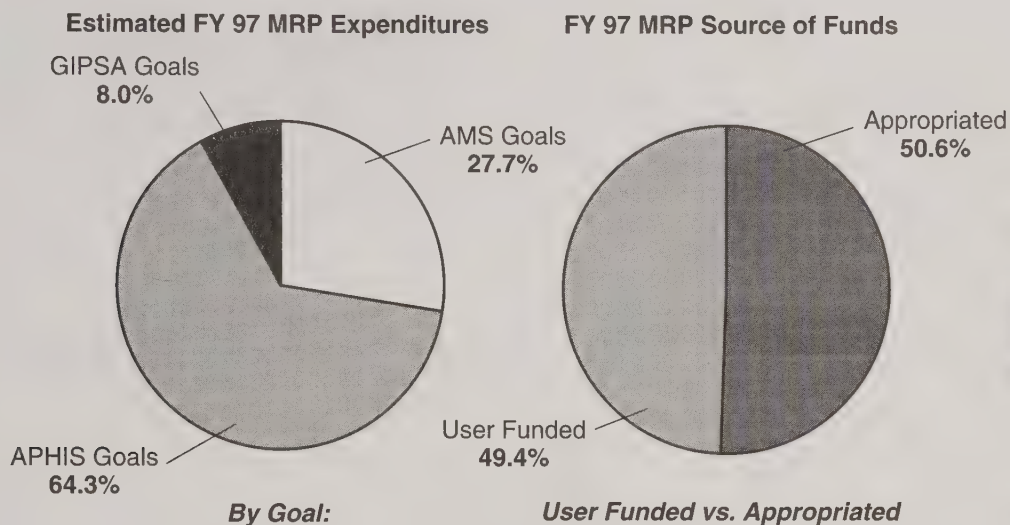
Linkage of Goals to Annual Performance Plan

The goals and objectives in this mission-area strategic plan include qualitative statements of the nature and direction of outcomes desired. They are supported by more specific performance goals — often clusters of performance goals — outlined in agency strategic and annual plans and other planning documents. The MRP goals for agricultural standards and global marketing are generally linked to individual agency goals, objectives, functions, and programs and their corresponding budget line items. These relationships are discussed in the agency strategic and annual performance plans, within which additional information on outcomes, measurement, and evaluations will be found. For the MRP management initiatives for customer outreach, cost-effective services, and workforce quality — initiatives that strengthen MRP's systems and capacity to deliver its programs — objectives will be reached through special mission area and agency efforts which are not linked to particular line items or to the annual performance plan.

Resources Needed

The first graph represents the 1997 estimated allocation of MRP resources by agency and the second shows the 1997 estimated source of funds. Allocation of agency resources by goal is shown in the respective agency plans.

1997 Estimated Allocation of MRP Resources and Estimated Source of Funds



Program Evaluation

No program evaluations were used directly in the development of the MRP plan. However, AMS, APHIS, and GIPSA have used a range of evaluation activities in the development of their plans. They will continue to use and schedule such evaluations consistent with the nature of the goals and objectives in their respective planning documents, i.e., they will utilize program metrics for indicators of outcomes and impacts, peer review, and customer surveys, depending upon their appropriateness to each goal and objective. The Assistant Secretary and each agency administrator will regularly review progress and performance in accomplishing mission area and agency goals and objectives.

The three agencies recognize that customer, supplier, and stakeholder feedback is essential in all planning and performance measurement. The agencies will continue communicating with these groups via hearings, meetings, exchanges, surveys, focus groups, external reviews, regulatory negotiations, and other forums. Beyond the broad scope of this strategic plan, the agencies will be reporting objective and performance goal achievement in annual performance plans. Over the coming years, this will result in the updating of goals and objectives, in the regular measurement of annual performance, and, most important, in the delivery of improved services to U.S. consumers and producers.

Role of External Entities

Most direct consultation with customers and stakeholders during development of the MRP and agency plans has occurred at the agency level. While outside consultants were used in some instances at the agency level for training and facilitation purposes, no non-federal entities were used to prepare the MRP plan.



Agricultural Marketing Service (AMS) Strategic Plan

AMS

Table of Contents

Introduction	5-13
Key External Factors	5-14
Mission	5-15
Goals	5-15
Management Initiatives	5-20
Linkage of Goals to Annual Performance Plan	5-22
Resources Needed	5-23
Program Evaluation	5-24
Role of External Entities	5-24

AMS
Market
for the

Introduction

The Agricultural Marketing Service (AMS), through the programs it administers, helps to improve the efficiency of agricultural commodity marketing. This results in increased returns to producers and lower cost to consumers. AMS' programs promote a strategic marketing perspective that adapts product and marketing decisions to consumer demands and changing domestic and international marketing practices and technologies. Approximately 75 percent of the funds needed to finance AMS activities are derived from voluntary user fees. AMS provides services for private industry, State, and Federal agencies on a reimbursable basis, primarily in connection with the commodity grading programs. Because of the tremendous number and diversity of programs within AMS, this strategic plan is an umbrella for lower level division and branch plans. As in most agencies of government, performance measures are evolving. The performance measures listed in this plan are under review and may be changed in future plan updates.

The mission of AMS is carried out through eight broad activities that encompass a wide range of programs. The eight activities are: market news; standards, grading, and shell egg surveillance; market protection and promotion; wholesale market development; transportation services; payments to States and possessions; the Perishable Agricultural Commodities Act program; and strengthening agricultural markets and producer income (Section 32).

The *Internal Environment* or *Corporate Culture* of AMS is uniquely entrepreneurial among governmental organizations. The breadth of services we offer enables industry and other clientele to strategically market products to their customers. And, for the vast majority of our programs, our ability to "stay in business" depends on the earnings we generate from our customers who are not under any obligation to buy our services. **Our services are requested only if our customers believe they add a proven value to their products in commercial markets.** The need to earn revenue to pay for the services provided to our customers fosters a climate among our employees that makes us:

- Customer service oriented
- Business-like
- Cost-conscious
- Demand driven and market-oriented
- Committed to service and performance to satisfy our customers
- Innovative in product and service delivery

Our clientele are equally cost-conscious. Most are "cash and carry" customers, who buy our services in grading, inspection, and certification, or who request our assistance in industry-generated self-help programs like promotion and marketing orders. Their satisfaction keeps us in business—dissatisfaction means terminating the service. A limited "captive clientele" benefits from programs that AMS administers to protect and promote a level playing field in trade. Licenses and fees undergird these programs. Finally, there are millions of individuals who benefit from the public goods we provide—for example, daily market reports and procuring food for Federal feeding programs.

AMS is inherently a decentralized organization. Headquarters in Washington, D.C., is the central nucleus of AMS, but small in proportion to the overall organization—16 percent of Agency employment. Most employees are scattered throughout the United States, working in plants or on other premises of our customers. Workforce demands can vary depending on seasons and crop sizes, but above all, the demand for AMS services depends on the ability of our employees to deliver these services—promptly, efficiently, and to our customers' satisfaction.

The *External Environment* or *Clientele* of AMS can be grouped into four broad categories. The first three are paying customers whose satisfaction determines whether or not we will continue to stay in business.

Cash & Carry Customers—Over four-fifths (83 percent) of our employees are involved in providing services to these paying customers. Those services include work in the development of commodity and food product quality standards for industry to use in marketing their products; grading, inspection, and quality assurance services, to verify the quality of products or the plant conditions for production; and contract specification development and certification that products meet contract terms. Who are these customers? Agricultural producers...food processors, wholesalers, retailers, and distributors...importers and exporters...procurement officials for institutions responsible for serving large numbers of meals, such as schools, restaurants, prisons, and even other government agencies. These customers pay for our integrity and consistency in applying the standards of quality to their products, and our reputation and credibility in upholding those standards.

Voluntarily Regulated Customers—Just under 10 percent of our services are utilized by voluntarily regulated customers. These customers actually initiate their own programs to improve their ability to market products, and our role is that of a consultant, working with them to make sure their activities are consistent with their legislative authorization. Marketing Orders and Agreements, and Research and Promotion Boards are the primary programs for these customers. Our services are paid for by these customers, but as with cash and carry customers, dissatisfaction means customers can terminate our services by voting out the program.

Public Good Recipients—Slightly more than 6 percent of our workload is focused on these customers. Throughout the marketing chain, a great many farmers and other businesses benefit from access to daily market reports provided by Market News reporters throughout the country. A substantial number of customers in this category benefit from AMS' actions in procuring food to meet the needs of Federal feeding programs.

Regulated Clients—Only 2 percent of our efforts are directed at regulated clients. Although these clients are a "captive" group, they do benefit from our enforcement role in truthful labeling, contract dispute settlement, protection against fraud and abuse, ensuring proper records are kept by private applicators who apply Federally restricted-use pesticides, and promotion of fair trade in the marketplace in the handling of shell eggs and the fresh and frozen produce trade.

Key External Factors

Completion of the goals and objectives in this plan is dependent on economic and weather conditions, adequate appropriated and user fee funding and related staff year authority, continued support by many State cooperators, and the lack of international political disruptions. In addition, AMS must respond to the changing business environment that is facing the various commodity industries we service. These changes include increasing global competition, mergers, acquisitions, vertical integration, and an increasing use of computer technology.

Mission

The mission of AMS is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices, and promoting a competitive and efficient marketplace, to the benefit of producers, traders, and consumers of U.S. food and fiber products.

Goals

The AMS major goals are to improve the strategic marketing of U.S. agricultural products and to help ensure that marketing is fair and competitive.

.....
Goal 1

Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets.

Enhancing the efficiency of agricultural marketing will allow producers to maximize returns and result in better values to consumers. This goal is directly related to the Secretary's strategic goal 1.

■ Legislative Mandates

Agricultural Marketing Act of 1946, Cotton Statistics and Estimates Act of 1927, Tobacco Inspection Act of 1935, Commodity Promotion, Research, and Information Act of 1996, Organic Foods Production Act of 1990, and 13 free-standing commodity specific research and promotion statutes.

■ Objective 1.1

Collect and disseminate time-sensitive agricultural market information for domestic and foreign markets and ensure the data reported is accurate and consistent with current and future market needs.

Timely and accurate market information helps to ensure a more efficient market, reducing costs for producers, traders, and consumers.

Partnerships and Coordination

AMS has agreements with almost every State department of agriculture for the cooperative collection and dissemination of market information. This greatly expands market coverage and enhances the value of the data reported. Our time-sensitive data is also passed on to the Foreign Agricultural Service, the Economic Research Service, the National Agricultural Statistics Service, and the Farm Service Agency for use in completing their missions.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

Identify changing market information needs, modify data collection activities, and change data reported.

Performance Measures

Using results of customer focus groups and customer surveys, assess the accuracy, timeliness, and appropriateness of, and customer satisfaction with the market data that is reported in FY 2002.

■ Objective 1.2

Provide cost-effective agricultural commodity quality grading/certification services whereby market efficiency is enhanced and customer gains exceed the cost of the service.

The use of fee based, cost-effective quality grading/certification services will improve the efficiency of trading resulting in maximized returns to producers and better quality/value products for consumers.

Partnerships and Coordination

AMS utilizes over 6,000 State employees for Shipping Point Fresh Fruit & Vegetable, Poultry, and Dairy Products grading services.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

Identify changing quality factors that are important in marketing, change standards to reflect these needs, and implement revised grading/certification services.

Performance Measures

Grading/certification service costs per hundred-weight by year. (This is a weighted average of the multiple commodity grading/certification services, using constant [1992] dollar indexes on Prices Paid for Farm Services.) This target helps to maintain marketing efficiency by not raising grading costs to customers.

Baseline: \$.36/cwt.

Target: \$.36/cwt. (Pay and inflation cost increases offset by productivity gains.)

■ Objective 1.3

Provide timely, cost-efficient, and user fee paid oversight of industry initiated and financed research and promotion programs.

The AMS oversight of these industry self-help and industry financed programs will ensure compliance with authorizing legislation without financially overburdening or delaying research and promotion activities.

Partnerships and Coordination

All of the actual research and promotion work is carried out by non-Federal employees or contractors who are paid from industry assessments. AMS staff devoted to this program, who are also funded from industry assessments, perform oversight duties to ensure compliance with the authorizing legislation.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

Work closely, and in a timely manner with commodity specific-research and promotion Boards to ensure the programs proposed are in compliance with authorizing legislation.

Performance Measures

Commodity Board budgets and marketing plans will be approved by AMS staff within an agency-set time frame.

Baseline: 91% of goal

Target: 91% of goal

■ Objective 1.4

Implement national organic production and labeling standards, and implement an accreditation and certification program using those standards.

Greater domestic and international confidence in U.S. agricultural products labeled “organic” will result in increased returns to producers and the lessening of international non-tariff trade barriers for these commodities.

Partnerships and Coordination

The accreditation and certification functions will be almost entirely performed by State and private employees using the Federal standards. These functions will be funded from fees charged for the service rendered.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

The proposed national standards must be published in the Federal Register for notice and comment, revised in response to comments, and then published in final form. State and private certifying agents must be accredited, and the fee-based service must be initiated.

Performance Measures

Growth in sales of organic products.

Baseline: \$ 4.2 Billion

Target: \$10.3 Billion

Goal 2

Ensure fair and competitive agricultural marketing through marketing tools and regulations.

A more competitive agricultural market will ensure an adequate and fairly priced supply of food to U.S. consumers and foreign buyers. This goal is directly related to the Secretary's strategic goals 1 and 2.

■ Legislative Mandates

Agricultural Marketing Agreement Act of 1937, Perishable Agricultural Commodities Act of 1930, Food, Agriculture, Conservation and Trade Act of 1990.

■ Objective 2.1

Reform the Milk Marketing Order Program pursuant to mandates of the 1996 Farm Bill.

Consolidation of the existing 32 Federal orders into 10 to 14 orders will result in an improved system of regulation over the marketing of milk.

Partnerships and Coordination

AMS, utilizing cooperative agreements, will work with a consortium of Land-Grant colleges, several USDA agencies, and industry-funded Milk Market Administrators and staffs to implement the consolidation.

Time Frame for Completion

April, 1999

Strategies for Achieving the Objective

- Proposed rule published: December, 1997
- Final rule published: August, 1998
- Referenda in each proposed order: October, 1998
- Final Implementation: January, 1999

Performance Measures

- The Federal Milk Marketing Order reform will be completed by January, 1999
- The proposed new Orders will be approved by dairy farmers through Referenda.

■ Objective 2.2

Improve service to customers of the Perishable Agricultural Commodities Act (PACA) Program through modernization of licensing procedures and more timely handling of formal reparation complaints.

This objective will result in increased fairness and competitiveness among fruit and vegetable traders through streamlined licensing, electronic access to non-proprietary data on licensed firms, and faster handling of formal complaints. This program is totally funded from license fees.

Partnerships and Coordination

PACA staff works directly with the fruit & vegetable industry to deliver services. Growers, shippers, brokers, distributors, and food purchasing and selling agents frequently use PACA licensing data to determine the trade-worthiness of firms and use PACA complaint resolution and reparation procedures to resolve contract disputes.

Time Frame for Completion

FY 2000—Improved timeliness for handling formal reparation complaints.
 FY 2002—Complete automation of licensing system.

Strategies for Achieving the Objective

- Hire staff to speed formal reparation complaint decisions.
- Identify current systems that provide similar functions, benchmark their business processes, and identify, acquire, and implement appropriate information technology within the parameters of USDA information architecture.

Performance Measures

- Reduce the time-frame for making formal reparation complaint decisions.
Baseline: 18 months
Target: 6 months
- Implement an Internet interactive system to reduce the number of days to process an initial license application.
Baseline: 21 days
Target: 3 days

■ Objective 2.3

Increase knowledge of and compliance with pesticide recordkeeping requirements through the education of private, certified applicators of Federally restricted use pesticides.

Increased availability of restricted use pesticide application data will facilitate statistical analysis for environmental and agronomic purposes, assist health care personnel in the treatment of individuals who may have been exposed to pesticides, and benefit agricultural producers by providing historical pest management data.

Partnerships and Coordination

AMS is working with State Departments of Agriculture and other USDA agencies to assist in the education of certified applicators and to complete reviews of applicator compliance with pesticide recordkeeping requirements.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify, develop, and provide educational materials to assist private applicators in meeting the regulatory requirements of the program.
- Using State and Federal employees, conduct inspections, on a sample basis, of records maintained by private certified applicators.

Performance Measures

- Complete agreements with States and Federal agencies to provide educational outreach to certified applicators.

Baseline: 36 States

Target: 50 States and 3 U.S. Territories

- Complete planned record inspections.

Baseline: 98% of planned inspections

Target: 98% of planned inspections

Management Initiatives

■ Management Initiative 1

Create and maintain a vital workforce with the appropriate skills and characteristics to serve our diverse base of customers by:

- Continuing to invest in training and development to ensure that the AMS workforce possesses the skills and knowledge necessary to meet agency challenges both today and into the future.
- Recruiting and nurturing a motivated workforce that reflects the many faces of America, recognizing and celebrating diversity, and creating opportunities, incentives, and rewards for achievement.
- Enhancing the quality of work life of AMS employees to ensure that the workplace serves as an encouraging, challenging, safe, and motivating place in which to heighten productivity.
- Providing employees with the most appropriate technology available to enable them to be highly productive in a rapidly changing world.

The agency serves a diverse range of customers, and we can best understand the needs of all of our customers if we have a fully diversified and trained workforce. We strongly support equal opportunity. This goal addresses AMS and USDA civil rights policies.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Identify and implement activities, where feasible, that will assure diversity in recruiting, training, retention, and representation within the workforce.
- Investigate issues and implement, where feasible, initiatives to assure or improve the work climate.

Performance Measures

Increase representation of women, minorities, and persons with disabilities by FY 2000. Provide all employees access to Work and Family Life services in FY 1999.

■ Management Initiative 2

Encourage and reward prudent financial stewardship, accountability, and improved business operations by:

- Providing managers with the most current and accurate financial information to assist in making sound business decisions.
- Ensuring that strategic planning, performance measurements, and evaluations are integral parts of business planning.
- Supporting and encouraging the incorporation of business process re-engineering and continuous improvement techniques in all business plans.
- Inculcating an organizational culture that fosters leadership in modernization — by encouraging and rewarding organizational risk taking, celebrating successes, and learning from failures.

These initiatives will allow AMS to continue its efforts to improve program efficiency.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

Review options for applying activity-based costing principles.

Continue the application of business process re-engineering principles to program operations.

Performance Measures

Convert AMS accounting records to the new USDA Foundation Financial Information System (FFIS) by the end of FY 2002.

■ Management Initiative 3

Rapidly adopt and deploy appropriate, cost-effective technology by:

- Ensuring that modern technologies - including information technology - are integral parts of the AMS management strategy, serving to increase the efficiency and cost-effectiveness of service delivery.
- Maintaining a research and development capability to heighten awareness of changes and improvements that continually arise on the technology horizon, for consideration, evaluation, and possible adoption.
- Providing all employees with active roles in technology discovery and use, and ensuring that a minimal level of technical competency exists for all AMS employees, particularly in the use of information technology.

The use of modern technology will result in continuing program productivity gains.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

Monitor the changes in technology uses and requirements of the agricultural marketing industry, and project these emerging trends into agency service technology.

Performance Measures

- Implement an Internet interactive PACA licensing system to reduce the number of days to process an initial license application (see Objective II.2)

Baseline: 21 days for application approval

Target: 3 days for application approval

- Ensure that AMS technologies, including all information systems, are certifiably Year 2000 compliant before the end of FY 1999.

Targets:

- Early versions of Oracle for the Market News Information System will be updated, converted, and tested successfully for Year 2000 compliance by October 1, 1998.
- The Poultry Volume system will be updated, converted, and tested successfully for Year 2000 compliance by October 1, 1998.
- All cotton classing, administrative, and program systems will be updated, converted, and tested successfully for Year 2000 compliance by October 1, 1999.
- Improve and stabilize AMS information technology infrastructure before the end of FY 1999.
 - Targets:**
 - The migration from the Banyan Network Operating System to the NT Network Operating System will be completed by the end of FY 1999.
 - All critical telecommunications and network infrastructure, including full Internet capability, will be implemented by the end of FY 1998.
- Fully implement a comprehensive information technology security program that meets the requirements of the Computer Security Act and other government-wide standards.
 - Targets:**
 - Complete accreditation and certification of the AMS information system at the C2 security level by October 1, 1997.
 - Complete agency-wide information security training for all employees with access to sensitive systems by October 1, 1998.

Linkage of Goals to Annual Performance Plan

The goals and objectives in this strategic plan include qualitative statements of the nature and direction of outcomes desired. They are supported by more specific long-term performance measures. These measures are generally linked to individual programs and their corresponding budget line items. In some instances, the performance measures listed in this plan will also be included in the annual performance plan. In other instances, where more intermediate measures are available, they will be used. Finally, for budget activities not specifically mentioned in this strategic plan, we will include performance goals for those activities in the annual performance plan. For the management initiatives in this plan — initiatives that strengthen AMS' systems and capacity to deliver its programs — objectives will be reached through special initiatives

which are not linked to individual budget activities or to the annual performance plan.

Goal 1 is linked to the following budget activities: Market News, Standardization, Market Development & Assistance, Organic Standards, Pesticide Data Program, Pesticide Record-keeping, Wholesale Market Development, Transportation Services, Payments to States, Commodity Purchase Service, and the user fee financed Grading Programs. Goal 2 is linked to Shell Egg Surveillance, Federal Seed Act, Pesticide Record-keeping, Marketing Agreements and Orders, and the Perishable Agricultural Commodities Act (PACA) program.

Resources Needed.....

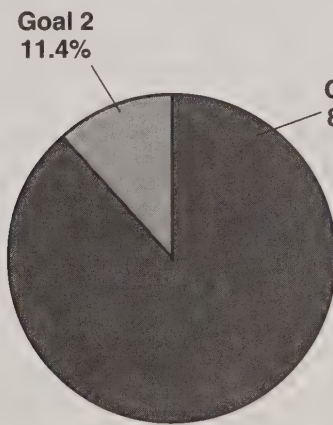
The goals and objectives of the AMS strategic plan can be accommodated within the President's discretionary budget request. Since AMS programs operate primarily on a user-fee basis, any additional costs will be primarily funded from these fee programs. These costs will be incurred only when they are commensurate with anticipated value/payback. If these increased costs require increases in our fees, those fees will be published and subject to public comment. With respect to the management initiatives, results will be less directly linked with programmatic outcomes. However, a diverse workforce, motivated by a quality work environment, operating with accurate and timely business information, and utilizing appropriate technology, will result in increased efficiency and long-term benefits to the Agency and its customers and stakeholders.

The graphs represent the allocation of agency resources by general goal, and by source of funds—appropriations or user fees.

Allocation of Agency Resources by General Goal and Source of Funds

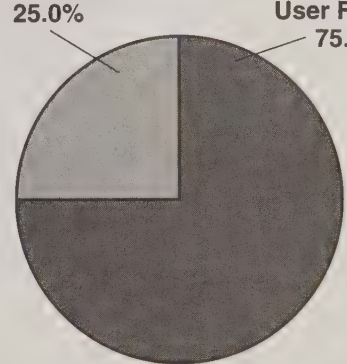
Estimated FY 97 Agency Expenditures

FY 97 Agency Source of Funds



By Goal

Appropriated



User Funded vs. Appropriated

Program Evaluation

Formal evaluations were not used as a basis for developing the AMS Strategic Plan. In the future, we will use any completed OIG audits as one tool in evaluating our success in achieving our goals. There are no formal agency evaluations planned. However, the programs of AMS are under constant scrutiny and evaluation and must meet a market test every day. Since over 83 percent of our staff effort and 75 percent of our funding is derived from voluntary user-financed services, the main indicator of our success is the continued use of our services by industry. If our services are no longer succeeding in making the marketing of agricultural products more efficient and resulting in enhanced returns to producers, traders, wholesalers, retailers, and consumers, the demand for our services will decline to the point where they can no longer pay for themselves. An example of the results of our continuing self-evaluation is the our closure of 197 (48%) of our field offices since 1981. These were agency initiated closures resulting from our continuing evaluation of changes in industry marketing practices, the needs of our customers, and our efforts to provide cost effective services.

In addition to evaluating our programs through monitoring the demand for our services, each of our objectives has one or more relevant indicators that will be used to measure the accomplishments toward reaching our goals. We recognize that customer, supplier, and stakeholder feedback is also essential in all planning and performance measurement. We plan to continue communications with these groups via meetings, exchanges, surveys, focus groups, and other forums. Beyond the broad scope of this strategic plan, we will be reporting and implementing objective goal achievement in annual performance plans.

Role of External Entities

Prior to proceeding with the development of strategic plans, AMS and its individual sub-organizational entities, including all managers from the Administrator through the Branch Chief level, were trained by employees of the "Federal Quality Institute." This training was spread over several sessions and stressed a "bottom up" approach to ensure employee involvement and "buy-in." In addition, the "Hoshin" planning method was emphasized and it was recommended that AMS use five to seven goals to generally cover its complex organizational and funding structure. Several of the agency sub-organizational units also utilized outside contractors for training purposes in the development of their individual plans. The final summarization of sub-unit plans into the AMS plan was accomplished using employee representatives from each sub-organization who worked on the Agency strategic planning team. This team, now called the "Strategic Planning Action Team," continues to be active in the performance accomplishment reporting activity.

Animal and Plant Health Inspection Service (APHIS) Strategic Plan

APHIS

Table of Contents

Introduction	5-27
Key External Factors	5-28
Mission	5-29
Goals	5-30
Management Initiatives	5-36
Linkage of Goals to Annual Performance Plan	5-38
Resources Needed	5-38
Program Evaluation	5-39
Role of External Entities	5-39

Introduction

APHIS' Protection Role

USDA established the Animal and Plant Health Inspection Service (APHIS) in 1972, to administer the Department's pest and disease control and regulatory programs. Over the past 25 years, APHIS has played a key operational role in USDA's efforts to protect America's animal and plant resources from agricultural pests and diseases.

In recent years, this function has expanded to include an enlarged definition of "protection." APHIS' core protection function traditionally revolved around regulating the imports of agricultural products into the U.S., to reduce the risk of exotic pests and diseases—biological protection. The continued profitability and viability of U.S. agriculture now depend not only on biological protection of U.S. agricultural production, but also on the ability of U.S. producers to be competitive in a world market. Aggressively promoting U.S. exports will continue to be a dominant USDA focus for stimulating domestic farm employment and income. Because of its technical expertise in assessing and regulating the risks associated with agricultural imports into the U.S., a significant new commercial protection role has fallen to APHIS: to respond to other countries' animal and plant health import requirements and to negotiate science-based standards that ensure America's agricultural exports are protected from unjustified trade restrictions. APHIS' protection role has also expanded over the years to include important functions related to the welfare of animals and to interactions with America's wildlife, as new needs have been expressed by the American people and Congress.

Legislative Authorities

The principal legislative authorities for these activities include the Organic Act of 1944, the Plant Quarantine Act of 1912, the Mexican Border Act of 1942, Sections 12-14 of the Federal Meat Inspection Act, the Bureau of Animal Industry Act of 1884, Tariff Act of June 17, 1930, the Animal Damage Control Act of 1931, Animal Welfare Act of 1966, the Horse Protection Act of 1970, and Virus Serum Toxin Act of 1913. The following also provide APHIS with its legislative authority: Act of August 30, 1890, Act of March 3, 1905, the Tariff Act of 1930, Act of September 21, 1944, Act of February 28, 1947, Act of July 2, 1962, Swine Health Protection Act, Act of January 13, 1983, P. L. 97-46 of September 25, 1981 and P.L. 99-198 of December 23, 1985.

The Food, Agriculture, Conservation and Trade Act (Farm Bill) of 1990, and Section 1203 of the 1991 Budget Reconciliation Act and the 1996 Farm Bill authorize the collection of user fees for agriculture quarantine inspection, import-export inspection, and veterinary diagnostics.

Partnerships and Coordination

The increasing complexity of its expanded protection responsibilities has required APHIS to collaborate with many other organizations. APHIS employees work closely with a number of other USDA agencies, including the Foreign Agricultural Service (export protection and enhancement), the Food Safety and Inspection Service (safe meat and poultry products), the Agricultural Research Service (science and technology), and the Forest Service (forest pest management). APHIS is administered within the Marketing and Regulatory Programs (MRP) mission area, along with the Agricultural Marketing Service (AMS) and the Grain Inspection, Packers and Stockyards Administration (GIPSA). MRP agencies work together as active and influential participants in international and national standard-setting and global marketing initiatives.

In addition to its collaboration within USDA, APHIS partners with a wide variety of Federal, State, and international organizations, educational institutions, and non-

governmental organizations that represent agricultural, environmental, and other interests. A few of the key Federal agencies include the U.S. Customs Service, the Immigration and Naturalization Service (inspections at ports of entry), the Food and Drug Administration (food safety and biotechnology), the Office of the U.S. Trade Representative, and the Environmental Protection Agency. APHIS works closely with State animal and plant regulatory officials in all States and territories. In the international arena, APHIS employees interact with the animal and plant health officials of many foreign trading partners, and with international organizations like the International Office of Epizootics (OIE) and the International Plant Protection Convention (IPPC). APHIS also works closely with many private industry associations whose members receive our protection services or are impacted by regulations APHIS enforces to protect U.S. agriculture.

Key External Factors

APHIS has taken into account a wide range of external factors in developing its overall strategy for accomplishing its mission. These factors are both challenges and opportunities for the ways in which APHIS programs will be conceived and carried out over the next five years.

- 1. The growing importance of global trade to U.S. agriculture and the development of new “rules” of trade through the World Trade Organization (WTO), the North American Free Trade Agreement (NAFTA), and other agreements.** The U.S. has new international trade obligations under the General Agreement on Tariffs and Trade and the World Trade Organization Agreement on Sanitary and Phytosanitary Measures, or the SPS Agreement. Implementing and complying with the new obligations (e.g., scientific risk assessments, equivalency, transparency, regionalization) has created new responsibilities and demand for services that threaten to outstrip APHIS’ current resources. Furthermore, the elimination of tariffs and quotas under the WTO may increase the use of health requirements as disguised barriers to trade. Resolving these sanitary and phytosanitary (SPS) issues is critical for protecting U.S. agriculture and maintaining U.S. export markets.
- 2. The complex biological nature of animal and plant pests and diseases requires solutions based on accepted science.** Short-term commercial pressures threaten to supersede long-term biological solutions. For example, pests and diseases like karnal bunt, hog cholera, brucellosis and Mediterranean fruit fly represent risks that can be addressed only by understanding the underlying biology. APHIS will be increasingly challenged to utilize new scientific discoveries to meet these commercial pressures and still protect the biological health of American agriculture.
- 3. Emerging animal health issues and their real or perceived impacts on public health and U.S. economic interests will have a major impact on APHIS strategies.** Recently, for example, bovine spongiform encephalopathy’s perceived link to human health has generated media attention. This may make it more difficult to monitor cattle as well as to encourage participation in the voluntary Scrapie Flock Certification program. Industry and State concerns with emergency preparedness and response are leading to a reconfiguration of resources and communication strategies.

4. **Improved transportation technologies increase the potential for movement of animal and plant pests and diseases.** Dramatic increases in international travel, trade, and containerization of cargo make total reliance on traditional inspection procedures impractical. APHIS will be increasingly challenged to update prevention strategies, monitoring systems, and response actions that ensure effective management of those risks.
5. **Resources that don't keep pace with increasing customer and stakeholder demands are challenging traditional Agency beliefs and policies.** Decision-making based on "zero tolerance" for pests and diseases must give way to risk-based decision-making. Resources are starting to be assigned based on the relative risk to American agriculture, and APHIS will be increasingly challenged to devote more resources on developing its risk assessment capabilities.
6. **Demands for APHIS services continue to rise.** The scientific and technical expertise that APHIS employees possess will continue to be in great demand. For example, solving wildlife conflicts, once confined to the farm, has expanded to airports, towns, industry and private property. As Americans move closer to wildlife habitats, these conflicts will continue to rise. Also, the Agency's collective expertise in animal and plant health issues will continue to be in high demand.
7. **Partnerships, and other forms of collaboration and cooperation, will become more important, because Americans want a smaller government that still meets their needs.** The role of government continues to change, driven in large part by budgetary constraints. To accomplish its mission, APHIS, like many Federal government agencies, has begun to partner more with other Federal agencies, with States, and with industry.
8. **The American public is pragmatic, yet increasingly looking for solutions that also protect the environment.** Studies show that Americans are increasingly concerned about the environment, yet they also show that most Americans are pragmatists: they want solutions that solve problems, but prefer solutions that both solve problems and preserve the environment. APHIS will continue to update strategies and methods to ensure that solutions are practical and environmentally sound.
9. **The American public expects quick and detailed information.** The advent of the Internet and the quick evolution of communication technology have increased the public's expectation for information. The public is increasingly demanding quick access to information about APHIS' services, technical assistance, and regulations.

Mission

APHIS leads the way in anticipating and responding to issues involving animal and plant health, conflicts with wildlife, environmental stewardship, and animal well-being. Together with our customers and stakeholders, we promote the health of animal and plant resources to facilitate their movement in the global marketplace and to ensure abundant agricultural products and services for U.S. customers.

Goals

APHIS has five goals which it plans to achieve by the year 2002. These goals support the USDA goal of expanding economic and trade opportunities and contribute to ensuring a safe, affordable, and accessible food supply and sensible management of natural resources.

..... Goal 1

Safeguard U.S. plant and animal resources against introductions of foreign pests and diseases, while meeting international trade obligations.

■ Objective 1.1

Agricultural Quarantine and Inspection (AQI)—To keep the risk of introduction of exotic agricultural pests and diseases into the U.S. at acceptable levels to protect American agricultural resources, maintain marketability of agricultural products, and facilitate the movement of people and commodities across the borders.

■ Objective 1.2

Cattle Ticks—To prevent the establishment of cattle fever ticks, and their associated diseases, in the U.S.

■ Objective 1.3

Foot-and-Mouth Disease—To exclude Foot-and-Mouth Disease and other foreign animal diseases from the U.S., thereby protecting the biological and commercial health of the \$45 billion livestock industry.

■ Objective 1.4

Fruit-Fly Exclusion and Detection—To control and eradicate fruit flies, primarily the Mediterranean Fruit Fly and Mexican Fruit Fly, in foreign countries where they may pose a serious threat to U.S. agriculture and to conduct detection and prevention activities in the U.S.

■ Objective 1.5

Sanitary and Phytosanitary Standards, Import/Export—To further the export of U.S. animals and animal products, ensure that imported animals and animal products present minimal risk of introducing damaging exotic animal diseases into the U.S. livestock and poultry population, and promote timely and efficient health certification processes for U.S. imports and exports. International Programs—To minimize the threat of foreign agricultural pests and diseases to the United States, and ensure that trade complies with international science-based plant and animal health standards.

■ Objective 1.6

Screwworm—To prevent economic loss to the U.S. livestock industry from screwworms.

■ Objective 1.7

Tropical Bont Tick—To prevent the introduction to the U.S. of tropical bont tick by eradicating it from the Caribbean.

Strategies for Achieving the Objectives

- Work in foreign countries to identify, control, or eradicate specific threats to U.S. agriculture.
- Assess the relative risk of various plant pest pathways; monitor high-risk pathways for specified pests.
- Implement risk-based decision-making and new technologies to support inspection and pest and disease interception activities at ports of entry and along our land borders.
- Work with partners of the Federal Inspection Service to improve the service to international travelers and those crossing the borders without compromising the health of U.S. plant and animal resources.
- Implement new interdiction and enforcement efforts to reduce the amount of illegal smuggling of prohibited agricultural products entering the country.
- Resolve SPS trade issues with foreign countries' animal and plant health regulatory officials and agencies.
- Develop, promote, and use international standards based on sound scientific principles of animal and plant health; ensure that import regulations and regulatory actions meet these standards.

Performance Measures

- Number of pest and disease outbreaks
- Threat of agricultural pests and diseases approaching U.S. borders
- Specific pest threats to U.S. agriculture eradicated or controlled in foreign countries
- Number and economic impact of SPS issues resolved
- Value of agricultural products exported from the U.S.
- Customer satisfaction (e.g., satisfaction of stakeholders concerned about safeguarding plant and animal resources; satisfaction of international travelers with services provided)

APHIS has incomplete baseline data for these measures. When baselines are established in 12 to 18 months, targets will be set.

Goal 2

Quickly detect and respond to introductions of foreign agricultural pests and diseases or other emerging agricultural health threats, to minimize production losses and export market disruptions.

■ Objective 2.1

Animal Health Monitoring and Surveillance—To identify, maintain and enhance the health status of U.S. livestock and poultry, to protect American food sources, and to strengthen their domestic and international marketability.

■ Objective 2.2

Pest Detection—To provide substantiated information on the presence, absence and/or prevalence of plant pests and diseases of phytosanitary concern to the U.S.

■ Objective 2.3

Animal and Plant Health Regulatory Enforcement—To encourage and support compliance of APHIS programs, laws, and regulations by providing effective investigations and technical enforcement services.

Strategies for Achieving the Objectives

- Detect the presence of plant pests and track their movement.
- Monitor the status of U.S. animal populations to identify trends and risk levels and identify emerging animal health issues.
- Partner with industry, and States to ensure a high level of preparedness and response capability, in the case of plant or animal health emergencies.
- Encourage compliance with APHIS regulations while improving enforcement of regulations.

Performance Measures

- Percentage of U.S. active trading partners accepting U.S. regionalization plans and procedures for selected diseases
- Percentage of U.S. active trading partners accepting information about plant and animal pests and diseases
- Domestic animal disease incidences resulting from wildlife contact
- Percentage of producers reporting that they used information produced by the National Animal Health Monitoring System
- Rates of compliance with APHIS regulations
- Customer satisfaction (e.g., satisfaction of domestic stakeholders with emergency preparedness and response capabilities and actual response to an emerging pest and disease outbreak)

APHIS has incomplete baseline data for these measures. When baselines are established in 12 to 18 months, targets will be set.

Goal 3

Effectively manage plant and animal pests and diseases and wildlife damage which pose risks to agriculture, natural resources, or public health.

■ Objective 3.1

Wildlife Services Operations—To provide Federal leadership in managing problems caused by wildlife. To reduce damage caused by wildlife to lowest possible levels while, at the same time, reducing wildlife mortality.

■ Objective 3.2

Aquaculture—To assist the aquaculture industry in improving the health of aquatic livestock, and to facilitate the movement of aquatic animals in international commerce. To reduce bird damage to aquaculture while ensuring the continued viability of migratory bird species.

■ Objective 3.3

Biological Control—To implement biological control technologies to control pests of economic importance in a cooperative effort with our customers. To promote, facilitate, and provide leadership for biological control and integrated pest management.

■ Objective 3.4

Boll weevil—To eradicate boll weevil from all cotton growing areas in the U.S. and northern Mexico by the year 2003, in cooperation with States, the cotton industry, and Mexico.

■ Objective 3.5

Brucellosis—To continue brucellosis eradication procedures in domestic cattle, swine, and bison for at least 5 to 10 years after eradication of the disease from all States, to eliminate any disease sources found and prove to the international community that the disease has been eradicated.

■ Objective 3.6

Golden Nematode—To prevent the spread of golden nematode to uninfested areas and to cooperate with States and industry to manage the pest and conduct surveys.

■ Objective 3.7

Gypsy Moth—To prevent the introduction and establishment of gypsy moth in areas that are currently uninfested.

■ Objective 3.8

Miscellaneous Plant Pests—To maintain infrastructure flexibility to deal with a range of plant pest infestations as they arise.

■ Objective 3.9

Noxious Weeds—To detect and delimit incipient infestations of exotic weed species, and to support weed management initiatives for those species which may cause damage to agriculture and native habitats.

■ Objective 3.10

Pink Bollworm—To prevent infestations in the San Joaquin Valley of California, and provide risk-based, area-wide management of Pink Bollworm cooperatively with industry.

■ Objective 3.11

Pseudorabies—To eradicate pseudorabies from the swine population of the U.S.

■ Objective 3.12

Scrapie—To control and ultimately eradicate scrapie from the U.S.

■ Objective 3.13

Sweet Potato White Fly—To control the sweet potato white fly.

■ Objective 3.14

Tuberculosis—To eradicate tuberculosis from the bovine population of the U.S. by the year 2002.

■ Objective 3.15

Witchweed—To eradicate witchweed from the U.S. and to maintain survey activities to substantiate that eradication has been accomplished.

Strategies for Achieving the Objectives

- Conduct cooperative survey, regulatory and control activities to manage or eliminate a range of animal and plant pests and diseases in the U.S.
- Identify, demonstrate and apply appropriate methods to manage problems caused by wildlife.

Performance Measures

- Progress in eradicating boll weevil, witchweed, pseudorabies, scrapie, tuberculosis and brucellosis
- Progress in slowing or reducing the spread of noxious weeds and the movement of golden nematode, Japanese beetle, pine shoot beetle, Asian long-horned beetle and pink bollworm
- Number and value of livestock, aquatic animals, crops, property, range and forest areas, and endangered or threatened species protected from wildlife damage
- Customer satisfaction (e.g., satisfaction of customers with wildlife services; satisfaction of stakeholders with progress of eradication and control programs)

APHIS has incomplete baseline data for these measures. When baselines are established in 12 to 18 months, targets will be set.

Goal 4

Ensure the humane care and treatment of animals covered under the Animal Welfare Act and the Horse Protection Act.

■ Objective 4.1

Animal Welfare—To ensure high levels of compliance with the humane care and treatment standards for all warm-blooded animals covered by the Animal Welfare Act and used for research or exhibition purposes, sold as pets, or transported in commerce.

■ Objective 4.2

Horse Protection—To prevent the soring of horses.

Strategies for Achieving the Objective

- Establish standards for the humane care and treatment of animals covered by the Animal Welfare Act and the Horse Protection Act.
- Inspect certain establishments, based on risk, that handle animals intended for research, exhibition or sale as pets.
- Monitor industry inspection activities at certain horse shows.
- Educate regulated entities and individuals to encourage compliance.

Performance Measures

- Percentage of facilities in compliance
- Percentage of animals affected by noncompliance
- Average number of days until a case is resolved
- Percentage of employee participation in an Inspection Quality Program
- Number and percentage of horses inspected that exhibit abnormalities of the front feet
- Customer satisfaction (e.g., satisfaction of regulated industry with services provided)

APHIS has incomplete baseline data for these measures. When baselines are established in 12 to 18 months, targets will be set.

Goal 5

Facilitate the development of safe and effective veterinary biologics, biotechnology-derived products, and other scientific methods for the benefit of agricultural producers and consumers and to protect the health of American agriculture.

■ Objective 5.1

Wildlife Services Methods Development—To provide increased methods for wildlife damage management which are effective, biologically sound, and socially acceptable.

■ Objective 5.2

Biotechnology—To facilitate the development of significant biotechnology-derived products for the benefit of agricultural producers and consumers.

Environmental Protection—To achieve cost-effective compliance with environmental analysis and reporting requirements and institutionalize in agency programs a solid environmental ethic.

■ Objective 5.3

Integrated Systems Acquisition Project—To obtain, implement, and facilitate the use of the necessary information technology infrastructure that will advance the accomplishments of APHIS' goals.

■ Objective 5.4

Plant Methods Development Laboratories—To develop and transfer biologically sound plant pest exclusion, detection, suppression, and control technologies and systems for APHIS and its stakeholders.

■ Objective 5.5

Veterinary Biologics—To protect animal health by ensuring the purity, potency, safety, and efficacy of veterinary biological products.

■ Objective 5.6

Veterinary Diagnostics—To provide laboratory diagnostic services, products, and training to support animal health and animal disease surveillance, prevention, control, and eradication programs.

Strategies for Achieving the Objectives

- Regulate the introduction, interstate movement and release into the environment of potentially harmful products of biotechnology.
- Regulate the production and distribution of veterinary biological products.
- Conduct diagnostic laboratory activities to support cooperative animal health programs.
- Develop control methods and other tools to support cooperative animal and plant health and wildlife management programs.
- Implement an information technology infrastructure to support APHIS and cooperator programs.

Performance Measures

- Safe movement and testing of biotechnology products
- Public confidence in the safety and efficacy of veterinary biologics
- Degree to which pests are detected, managed and excluded using methods developed by Plant Protection Centers
- Number of improved or expanded methods from other laboratories
- Validation of lab services against international standards
- Customer satisfaction (e.g., satisfaction of regulated industry with services provided; satisfaction of program managers with methods developed)

APHIS has incomplete baseline data for these measures. When baselines are established in 12 to 18 months, targets will be set.

Management Initiatives

APHIS, like all public agencies in the 1990s, faces the challenge of fulfilling its mission and its program goals in a rapidly changing environment. In 1995, APHIS confronted these forces of change through an inclusive, “future search” process. The result was a restatement of the APHIS mission; a statement, for the first time, of the APHIS vision; and the development of a set of strategies—a “change agenda”—through which APHIS employees will adopt ways to improve results and service and to improve program efficiency.

■ Management Initiative 1

Improve Results and Service—APHIS will achieve the results that our customers and stakeholders need while providing the service that they expect.

Some of the tasks involved in this initiative directly support outcomes that are addressed in our strategic goals (e.g., Global Interests in Goal 1 and Environmental Responsibility in Goal 5). Other tasks are aimed primarily at making the APHIS work environment more conducive for high-quality, innovative, customer-focused work.

Strategies for Achieving the Management Initiative

- Global Interests—APHIS will provide necessary protection to U.S. agriculture while facilitating fair and safe international trade through efforts to increase employee and stakeholder awareness of and collaboration in application of SPS principles, strengthen decision-making systems, and ensure effective participation in standard-setting activities.
- Environmental Responsibility—APHIS will strengthen systems and employee awareness to ensure that APHIS program outcomes will have a positive effect upon the environment.
- Innovative Regulatory Systems—APHIS will use innovative approaches that achieve program objectives at the lowest costs and that provide new incentives for customer compliance.
- Customer Service—Systems improvements and training opportunities will enable employees to listen to what customers want and expect, and act on that information to improve program services.
- Science and Technology—APHIS will acquire and apply the best scientific and technological expertise and appropriate technologies and information management systems to ensure timely and scientifically sound decision-making.
- Continual Learning and Shared Leadership—APHIS will develop and sustain an environment that encourages continuous self and organizational improvement, and encourages employees at all levels to embrace and lead change.
- Workforce Diversity—APHIS will provide workforce diversity training to all employees, and develop a comprehensive human resources system that addresses under-representation and a diverse, team-based organization.

■ Management Initiative 2

Improve Program Efficiency—APHIS will be an Agency that not only achieves results and improves service, but does so efficiently and equitably.

Strategies for Achieving the Management Initiative

- Regional Consolidation—The number of APHIS regional locations will decrease from 13 to 2 by fiscal year 2001. Regional hubs will be located close to some of the Agency's main scientific services. APHIS will continue to collocate and/or consolidate operations at other field offices, including State offices, where it is feasible.
- Streamlining—APHIS streamlining will be focused on reducing supervisory and administrative jobs so that a higher percentage of Agency resources are directed toward service delivery. The ratio of employees to supervisors will increase to 10:1.
- Alternative Funding Sources—APHIS intends to actively pursue the use of sources of funding other than Congressional appropriations, with the goal of ensuring, within reason, that the users of APHIS' services accept more financial responsibility for the benefits that they receive.

Linkage of Goals to Annual Performance Plan

The five general goals of the APHIS strategic plan correspond to the five functional components of our budget (Pest and Disease Exclusion, Plant and Animal Health Monitoring, Pest and Disease Management, Animal Care, and Scientific and Technical Services). Similarly, the objectives listed under each goal correspond directly to funded line programs under each functional component. In its annual performance plan, APHIS is developing a set of annual performance targets for each goal of its strategic plan. For many of APHIS' pest and disease eradication goals and objectives, the annual performance targets describe a progression leading to the long-term eradication objectives of the strategic plan. For other, more difficult-to-measure goals, further efforts are underway to quantify performance baselines. Once the performance baselines have been established, it will be possible for APHIS to set targets for the goals of the strategic plan and then link them more fully to the performance plans.

In the annual performance plan, APHIS expects to use most of the performance measures used in this strategic plan. However, additional or different measures may be used in any given year to report on priority concerns related to the goal or to make use of new data that has become available.

The annual performance plan will be used to help direct resources in implementing key strategies and to help identify specific efforts needed to achieve APHIS goals and objectives. Each annual plan will include estimated staff years and program costs required to achieve the APHIS goals.

Upon completion of the fiscal year for which the annual performance plan was prepared, a report to Congress will be made defining achievement of the goals.

Resources Needed

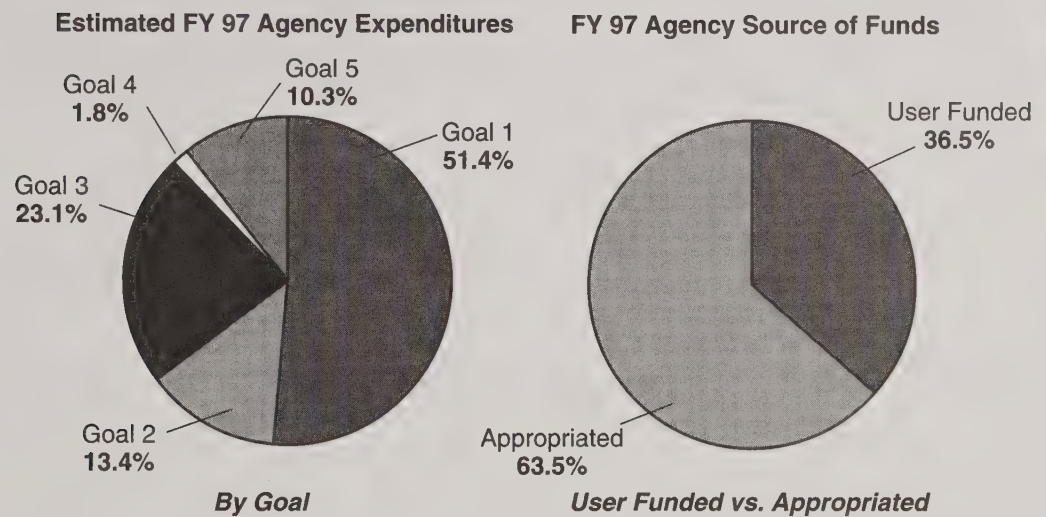
In fiscal year 1997, APHIS is operating with \$434.9 million appropriated by Congress. APHIS operates as much as feasible with user-funded sources of funding, to ensure, within reason, that the costs for APHIS' protection services are fairly shared by those who use those services, or by those whose activities necessitate APHIS interventions to protect American agriculture. Of the amount appropriated by Congress, \$98 million is designated for Agricultural Quarantine Inspection (AQI) activities in which user fees are paid by international travelers and cargo companies. The agency plans to spend an additional \$37.3 million from AQI user fee collections (over the \$98 million appropriation) and from the AQI reserve account. In addition, APHIS estimates that it will collect and spend an additional \$48.7 million for Wildlife Services reimbursable activities, import-export and veterinary diagnostic user fees, reimbursable overtime, issuance of phytosanitary certificates, and miscellaneous contributed funds.

APHIS has personnel working across the country and in many foreign countries. In FY 1997, APHIS' estimated staff year level for appropriated programs is 3,750. The Agency will devote another 2,140 staff years to the AQI user fee program in FY 1997. There are another 554 staff years paid by Wildlife Services reimbursable activities, import-export and veterinary diagnostic user fees, reimbursable overtime, fees paid for issuance of phytosanitary certificates, and miscellaneous contributed funds.

To achieve its goals, APHIS must enhance the capabilities of our cadre of scientists and technicians with continual training and state-of-the-art information technology to analyze risk, develop new pest and disease identification and inspection techniques, and negotiate international plant and animal health standards. To meet the quickly changing environment of agricultural production and marketing threats, APHIS must have built-in flexibility to rapidly shift its resources between various components of its protection system.

The first graph represents the 1997 estimated allocation of agency resources by goal and the second shows the 1997 estimated source of funds:

1997 Estimated Allocation of Agency Resources by Goal and Source of Funds



Program Evaluation

Strategic planning in APHIS is part of the Agency's cycle of long- and short-range planning, budgeting and program evaluation. Each program has its own set of ongoing, or formative, evaluation activities in place to identify strengths and weaknesses, and these evaluations are used by the program managers to develop new performance goals and strategies. These evaluations include station reviews, port reviews, program reviews, customer and stakeholder needs assessments, and the results of public hearings, meetings and symposia on current scientific issues. In addition, as part of its annual performance planning cycle, APHIS is developing performance monitoring systems which will be refined over the next several years, so that program managers can routinely evaluate program effectiveness.

Over the next 5 years, APHIS also plans to move forward on three major evaluation processes to assess how well APHIS goals and objectives are being achieved. APHIS will be developing a major effort to quantify the economic impacts of its protection efforts. APHIS is also developing an ongoing quality assurance program for its scientific methods and diagnostic laboratories. The Agency is also strengthening its formal port review and State program review system within its operational units. These three evaluation initiatives are considered a high priority by many managers in APHIS, and they will strengthen our ability to achieve our mission.

Role of External Entities

APHIS has prepared this strategic plan as a result of consultation with a broad range of groups at its various program levels. It has, however, utilized only internal resources to develop this plan. It has used no paid outside consulting or other assistance to conduct this work.

Handwritten notes and a diagram. The diagram shows a central point with lines extending to the right, possibly representing a coordinate system or a process flow. The text is very faint and difficult to read, but appears to be a list or set of instructions.

Grain Inspection, Packers and Stockyards Administration (GIPSA) Strategic Plan

Table of Contents

Introduction	5-43
Key External Factors	5-44
Mission	5-44
Goals	5-44
Management Initiatives	5-49
Linkage of Goals to Annual Performance Plan	5-50
Resources Needed	5-50
Program Evaluation	5-51
Role of External Entities	5-51

GIPSA

10/10/10
10/10/10
10/10/10

Introduction

The Grain Inspection, Packers and Stockyards Administration (GIPSA) facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture. With its sister agencies in the U.S. Department of Agriculture's (USDA) Marketing and Regulatory Programs (MRP) mission area, GIPSA is working to ensure a productive and competitive global marketplace for U.S. agricultural products.

GIPSA's mission is carried out in two different segments of American agriculture. The packers and stockyards program, as represented in Goal 1 of this strategic plan, promotes fair, open, and competitive markets in the livestock, meat, and poultry segments of American agriculture. This program is authorized by the Packers and Stockyards Act of 1921, as amended (PSA). The grain inspection and weighing program provides the U.S. grain market with Federal quality standards and a uniform system for applying them. The grain program, as represented in Goal 2, is carried out under the authority of the United States Grain Standards Act (USGSA) and the Agricultural Marketing Act of 1946 (AMA). It is predominantly user-fee funded and accounts for approximately 60 percent of GIPSA's total funding.

GIPSA helps promote fair business practices and an open, competitive environment for the marketing of livestock, meat, and poultry. Through its oversight activities, including investigations, audits, and monitoring programs, GIPSA works to foster fair and open competition, provide payment protection, and guard against deceptive and fraudulent practices affecting the movement and price of meat animals and their products. GIPSA's work in this area is directed at protecting consumers and members of the livestock, meat, and poultry industries.

U.S. grain flows from farm to elevator to destinations around the world. To facilitate the trading of U.S. grain, GIPSA establishes official U.S. grading standards for grains, oilseeds, rice, lentils, dry peas, and a variety of edible beans. These official U.S. grades and standards simplify numerous attributes into a single descriptive term, thereby reducing transaction costs, increasing market efficiency, facilitating consumer choice, and providing a means for dissemination of readily understandable market information. Because of their importance in facilitating the trading of U.S. grain, these standards cannot remain static. GIPSA continuously reviews and revises the standards to ensure their relevance to American agriculture and to meet the needs of a quality-conscious global marketplace. The standards, along with supporting methodologies and procedures, are applied uniformly within the official grain inspection and weighing system. This system—a unique public-private partnership that includes Federal, State, and private laboratories—provides cost-effective and responsive official inspection and weighing services to the domestic and export trade. Overall, GIPSA provides American agriculture—farmers, handlers, processors, and exporters alike—with the services and information they need to effectively market U.S. grain. Through its programs and services, GIPSA protects and promotes the domestic and global marketing of America's grain.

To minimize duplication of efforts, GIPSA has closely coordinated its strategic plan with its sister MRP agencies, the Animal and Plant Health Inspection Service (APHIS) and the Agricultural Marketing Service (AMS). GIPSA also coordinates its program activities with a number of government entities. Within USDA, GIPSA works with APHIS and AMS on marketing issues; the Foreign Agricultural Service on international trade issues and programs; the Agricultural Research Service and the Economic Research Service for research support; and the Office of the Inspector General on investigative matters. Further, GIPSA cooperates with various non-USDA entities, including the Food and Drug Administration on food safety issues; the

Environmental Protection Agency on pesticide residue programs; and the Department of Justice and the Commodity Futures Trading Commission, on investigative matters.

Key External Factors

GIPSA must effectively respond to the fluid and dynamic business environments in which the grain and livestock industries operate. Like many segments of American agriculture, these industries are experiencing rapid changes such as mergers, acquisitions, vertical integration, and increasingly automated operations. The changes are shaping how GIPSA operates.

GIPSA plays a critically important role in facilitating the marketing of U.S. agricultural products domestically and abroad. The Agency's overall efficacy is influenced not only by a commitment to organizational effectiveness and efficiency, but it is also governed by a variety of external forces, ranging from supply and demand fluctuations and mergers in the livestock, meat, and poultry markets to market prices, crop quality and quantity, and international trade influences in the grain sector.

New technology and increasingly sophisticated buyers (both domestic and international) are creating new opportunities for products and services and for opening new markets. Emerging technologies are also continuously changing the way businesses operate, as well as the tools and procedures needed to provide service and monitor compliance with the PSA, USGSA, and AMA.

Mission

GIPSA facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products and promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture.

Goals

In accordance with the many factors that influence how GIPSA does business, GIPSA has established two goals and supporting objectives which set the strategic direction of the Agency's work.

Goal 1

Ensure a fair, open and competitive marketing environment for livestock, meat, and poultry.

This goal supports USDA's Goal 1 to expand economic and trade opportunities for agricultural producers and other rural residents. The goal also supports MRP's Goal 1 to enhance consumer access to safe, affordable, and quality products and producer access to fair and competitive markets by developing and implementing, at a national and international level, appropriate marketing standards and plant and animal health measures.

■ Objective 1.1

Monitor, investigate, and analyze the livestock, meat, and poultry industries to determine if firms are engaging in any practice with the intent or with the effect of limiting or restricting competition. Initiate appropriate corrective action if evidence of anticompetitive practices is disclosed.

Time Frame for Completion

Ongoing throughout fiscal years 1997-2002.

Strategies for Achieving the Objective

- Monitor and analyze new and evolving procurement and sales practices to prevent anti-competitive behavior.
- Investigate practices that may limit or restrict competition.

Performance Measures

- Percentage of violations corrected within 1 year of investigation's starting date
Baseline: To be developed in 1998.
Target: Appropriate incremental increases will be established for 1999 - 2002.
- Assess the industry impact and dollar value to producers from deterring and correcting anti-competitive practices.
Baseline: To be developed in 1998.
Target: Appropriate incremental increases will be established for 1999 - 2002.

■ Objective 1.2

Identify and correct unfair, deceptive, or discriminatory trade practices in the livestock, meat, and poultry industries.

Time Frame for Completion

Ongoing throughout fiscal years 1997-2002.

Strategies for Achieving the Objective

- Investigate trade practices of packers, live poultry dealers, livestock dealers, and market agencies to detect fraudulent, discriminatory, or unfair practices.
- Ensure weighing and accounting procedures for the purchase and sale of livestock, meat, and poultry are accurate.

Performance Measures

- Percentage of violations corrected within 1 year of investigation's starting date.
Baseline: To be developed in 1998.
Target: Appropriate incremental increases will be established for 1999-2002.
- Assess the dollar value to producers resulting from preventing and correcting unfair trade practices.
Baseline: To be developed in 1998.
Target: Appropriate incremental increases will be established for 1999-2002.

■ Objective 1.3

Provide financial protection to livestock and poultry producers by ensuring subject firms and individuals comply with the payment, custodial, trust, bonding, and financial provisions of the PSA.

Time Frame for Completion

Ongoing throughout fiscal years 1997–2002.

Strategies for Achieving the Objective

- Investigate financial conditions and payment practices of market agencies, dealers, packers, and live poultry dealers.
- Maintain the integrity of the statutory trust for cash sellers of livestock and poultry.
- Maintain the integrity of custodial accounts established for the benefit of livestock sellers.
- Obtain adequate surety bonds from market agencies, dealers, and packers.

Performance Measures

- Percentage of violations corrected within 1 year of investigation's starting date.
Baseline: To be developed in 1998.
Target: Appropriate incremental increases will be established for 1999–2002.
- Assess the dollar value to producers resulting from preventing and correcting financial violations.
Baseline: To be developed in 1998.
Target: Appropriate incremental increases will be established for 1999–2002.

***** Goal 2

Promote and protect the integrity of the domestic and global marketing of U.S. grain for the benefit of American agriculture.

This goal supports USDA's Goal 1 to expand economic and trade opportunities for agricultural producers and other rural residents. The goal also supports Goals 1, 2, and 4 regarding agricultural standards, global marketing, and cost-effective services, respectively, of MRP's Strategic Plan.

■ Objective 2.1

Increase the efficiency of U.S. grain marketing by harnessing technology to streamline grain inspection and weighing processes and providing objective measures of grain quality, quantity, and end-use value.

The efficiency of the market is best measured by the transaction cost for the buying and selling of grain. By having reliable grades and standards and a national inspection system to apply them, buyers and sellers can quickly and easily communicate what they want to buy or sell, thus avoiding the need for detailed contractual speci-

cations and lengthy disputes over whether the quality shipped meets the quality ordered. However, measuring transaction costs is impractical. Consequently, GIPSA will measure the efficiency at which it provides inspection and weighing services and will measure how effectively it introduces new testing technology to better measure grain quality characteristics.

Time Frame for Completion

Ongoing throughout fiscal years 1997–2002.

Strategies for Achieving the Objective

- Streamline grain inspection, weighing, and handling processes to increase efficiency.
- Develop objective measures of end-use quality for emerging crops and related value-added products.

Performance Measures

- Percentage of export facilities equipped with automated grain inspection systems.
Baseline: 0 facilities equipped with automated inspection systems.
Target: 10% of facilities equipped with automated inspection systems.
- Difference between end-use quality information needed and available measurement methods.
Baseline: To be developed.
Target: Reduce gap.

■ **Objective 2.2**

Enhance the uniformity of grain quantity and quality measurements to promote a more standardized framework for trade in the U.S. grain marketing system.

Standardization of grain quality and quantity measurement improves market efficiency. Likewise, the use of grades and standards improves market efficiency if the grades and standards communicate the quality characteristics relevant to the market. GIPSA directly controls the standardization of the official inspection system and influences the standardization of the commercial market. Measuring the use of grades and standards by the commercial market is impractical, since nearly all those buying or selling grain use the grades and standards to one degree or another. GIPSA will limit its measurement to the accuracy of the official inspection system and adequacy of grades and standards.

Time Frame for Completion

Ongoing throughout fiscal years 1997–2002.

Strategies for Achieving the Objective

- Facilitate trade by setting official standards that provide a common language for the trading of U.S. grain domestically and in international markets.
- Maintain and enhance the standardization of the U.S. grain marketing system through uniform application of official standards, methods, and procedures.
- Foster adoption/understanding of U.S. standards, methods, and procedures in international and domestic markets.

Performance Measures

- Percentage of inspection results within statistical control limits.
Baseline: To be developed.
Target: Improve over baseline.
- Grades and standards reflect market needs.
Baseline: To be developed based on customer surveys.
Target: Improve over baseline.

■ Objective 2.3

Provide all segments of American agriculture with cost-effective and responsive official grain inspection and weighing services.

Time Frame for Completion

Ongoing throughout fiscal years 1997–2002.

Strategies for Achieving the Objective

- Provide mandatory inspection and weighing services on U.S. grain exports at export port locations.
- Provide, upon request, official inspection and weighing services on U.S. rice, commodities, and grain traded in domestic commerce.

Performance Measures

- Maintain cost of official export grain inspection and weighing service per metric ton.
Baseline: 5-year average.
Target: Maintain baseline.
- Improve customer satisfaction ratings.
Baseline: Average rating based on survey.
Target: Improve baseline.
- Percentage of U.S. grain production officially inspected.
Baseline: 5-year average.
Target: Maintain baseline.

■ Objective 2.4

Protect the integrity of U.S. grain marketing by regulating grain weighing and handling practices, and regulating the providers of official grain inspection and weighing services.

Time Frame for Completion

Ongoing throughout fiscal years 1997-2002.

Strategies for Achieving the Objective

- Maintain the integrity of the Official Grain Inspection and Weighing System.
- Maintain the integrity of the U.S. grain marketing system.

Performance Measures

- Number of complaints due to improper weighing or grain handling practices.
Baseline: To be developed in fiscal year 1998.
Target: To be developed in fiscal year 1999.
- Number of complaints due to improper official grain inspection service.
Baseline: To be developed in fiscal year 1998.
Target: To be developed in fiscal year 1999.

Management Initiatives

In response to structural changes in the livestock and poultry industries, an evaluation report by the Office of Inspector General suggested that GIPSA restructure its packers and stockyards program to more effectively respond to issues related to industry structure and competition. GIPSA has submitted a proposed restructuring plan with a projected cost.

To achieve its general goals and objectives, GIPSA must also look within at its own management initiatives and relationships. Of critical importance to GIPSA is the Agency's contractual agreement with the MRP Customer Service Team which provides administrative, financial, and personnel support.

GIPSA has established one management initiative.

■ Management Initiative 1

Maintain a work environment that supports cultural diversity, civil rights, and continuous improvement.

This management initiative supports USDA's Management Initiative 1 to ensure that all customers and employees are treated fairly and equitably, with dignity and respect. It also supports MRP's Management Initiative 3 to create and maintain a diverse and highly skilled team that delivers services to its customers with integrity and in a supportive work environment.

Time Frame for Completion

Ongoing throughout fiscal years 1997-2002.

Strategies for Achieving the Management Initiative

This initiative will provide a comprehensive management process to develop a working environment where all employees are supported to reach their full potential. Consistent with the recommendations of the Secretary's Civil Rights Action Team, the Agency's workforce diversity objectives include, among others, providing workforce diversity training (awareness and skill building) to all GIPSA employees, and developing a diverse, team-based organization.

Performance Measures

- Annual assessments of the Agency's progress in achieving affirmative employment goals.
Baseline: Current assessment.
Target: Improve over baseline.

Linkage of Goals to Annual Performance Plan

In the annual performance plan, GIPSA expects to use most of the performance measures used in this strategic plan. However, additional or different measures may be used in any given year to report on priority concerns related to the goal or to make use of new data that has become available.

The annual performance plan will be used to help direct resources in implementing key strategies and to help identify specific efforts needed to achieve GIPSA goals and objectives. Each annual plan will include estimated staff years and program costs required to achieve the GIPSA goals.

Upon completion of the fiscal year for which the annual performance plan was prepared, a report to congress will be made defining achievement of the goals.

Goal 1 is linked to the following budget program activity: Packers and Stockyards Program. Goal 2 is linked to the Grain Inspection Program which is composed of four key activities: Methods Development, Standardization, Compliance, and Grain Inspection and Weighing.

Resources Needed

GIPSA's ability to achieve Goal 1 will depend on approval and adequate funding to restructure the packers and stockyards program's headquarters and field structures and to expand the Agency's economic, legal, and computer expertise to address industry structure and competition issues.

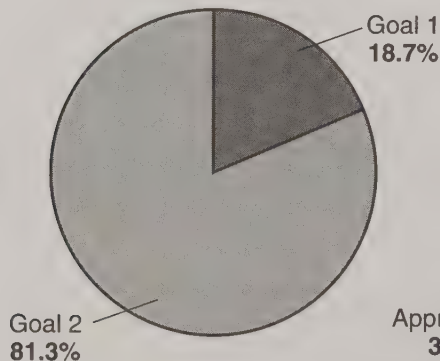
GIPSA's ability to achieve Goal 2 hinges on the availability of adequate revenue generated by user fees to cover operating costs and appropriated funding at current levels.

The graphs below represent the allocation of Agency resources by general goal and funding source.

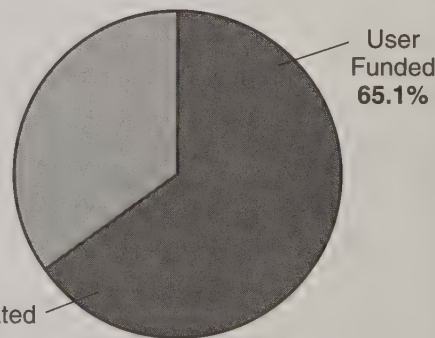
Allocation of Agency Resources by General Goal and Funding Source

Estimated FY 97 Agency Expenditures

FY 97 Agency Source of Funds



By Goal:



User Funded vs. Appropriated

GIPSA

Program Evaluation

The Office of the Inspector General's evaluation report, "Evaluation of Agency Efforts to Monitor and Investigate Anti-Competitive Practices in the Meat Packing Industry," played an important role in the development of Goal 1, Objective 1.1 of this strategic plan. Although GIPSA has no immediate plans for additional evaluations, the Agency will request another third-party evaluation once the restructured packers and stockyards program is operational.

In the formulation of the Agency's strategic plan, GIPSA also relied upon a Council for Agricultural Science and Technology report of the quality of U.S. agricultural products which, in part, evaluated USDA-established grades and standards. In the future, GIPSA will continue to evaluate whether its grades and standards reflect customers' needs.

Furthermore, customer, supplier, stakeholder, and employee input was essential in the preparation of GIPSA's strategic plan and will be used for ongoing evaluations. Further, GIPSA's business operation will include:

- Tracking performance measures to assess progress and formulate budget requests.
- Surveying customers to assess service delivery.
- Reviewing the strategic plan annually and revising, as necessary.

Role of External Entities

GIPSA has prepared this strategic plan as a result of consultation with employees and a broad range of customers, as well as the Senate Agriculture Committee, General Accounting Office, and Office of Management and Budget. In the early developmental stages of this strategic plan, a team of GIPSA employees met for several days to prepare a rough draft of the Agency's strategic plan. A non-Federal consultant facilitated the team's discussions. No external consultants or contractors were used in the further development and refinement of this strategic plan.

GIPSA

Natural Resources and Environment (NRE) Mission Area Strategic Plan



Table of Contents

Introduction6-3

Agencies' strategic plans

Forest Service (FS)	6-5
Natural Resources Conservation Service (NRCS)	6-37



Introduction

The Natural Resources and Environment Mission Area, composed of the Natural Resources Conservation Service (NRCS) and the Forest Service (FS), is responsible for providing sensible management of our natural resources. We accomplish this by: 1) developing new technological tools that promote agricultural production while maintaining a quality environment and strong natural resource base; and 2) promoting sustainable management of private and public lands while protecting and restoring critical forestland, rangeland, wilderness and aquatic ecosystems. Shared agency outcomes include a healthy natural environment; sustainable production of food, fiber, products and services for people; vital communities; and effective and efficient service to customers.

NRE is committed to quality customer service, a productive and diverse workforce, and continually improving processes, resource and financial information and technology, and accountability to our stakeholders and the American public.

The FS and NRCS are working together on technology development and transfer, providing assistance to individuals and communities, data collection and assessment, international assistance, and developing partnerships to achieve a healthy and productive environment.

The following strategic plans by NRCS and the FS present the goals, objectives and activities of the Natural Resources and Environment Mission Area which reflect our commitment to the American people and to a sustainable natural resource base.

A circular logo with the letters "NRE" in white, oriented vertically on a dark background.



Forest Service (FS) Strategic Plan

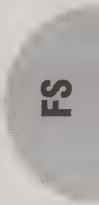


Table of Contents

Introduction	6-7
Key External Factors	6-9
Mission	6-9
Goals	6-10
Management Initiatives	6-27
Linkage of Goals to Annual Performance Plan	6-32
Resources Needed	6-32
Program Evaluation	6-34
Role of External Entities	6-35

FS

Introduction

The Forest Service was created to manage public forests and rangelands in 1905. In response to new information and a greater understanding of ecological systems and social demands, the agency has evolved. The agency's mission remains clear: Working with people to sustain the health, productivity and diversity of the land for the use and enjoyment of present and future generations.

Legislative Mandates

The agency's tradition of land management began with the Organic Act of 1897. The environmental legislation of the last 30 years characterizes the changing role of the agency. Recent legislation reflects the agency's renewed commitment to managing healthy ecosystems and creates more avenues for public participation in agency decision making. Other legislation has strengthened the Forest Service's ability to provide technical, financial, and economic assistance to State and private land owners and other countries. The agency's legal mandate, mission and strategic goals are primarily derived from these laws and statutes:

- *Organic Act of 1897*: Specified the purposes (i.e., timber and water supply) for which forest reserves can be established and provided for their protection and management.
- *Multiple-Use Sustained Yield Act of 1960 (MUSY)*: directed that the National Forests be managed for multiple uses including recreation, range, timber, watershed and wildlife and fish and a sustained yield of products and services.
- *Clean Water Amendments Act of 1972*: establishes a policy to restore and maintain the chemical, physical and biological integrity of the Nation's waters.
- *Endangered Species Act of 1973 (ESA)*: sets the policy for conserving species and the critical habitat of fish, wildlife and plants that are in danger of or threatened with extinction.
- *National Forest Management Act of 1976 (NFMA)*: provides guidelines for planning and management on National Forests and specifies information and analytical requirements for specific resources.
- *Cooperative Forestry Assistance Act of 1978, as amended*: authorizes cooperation and assistance to non-Federal forest landowners in forest management, timber production, insect and disease control and fire prevention.
- *Forest and Rangeland Renewable Resources Research Act of 1978*: authorizes the agency to conduct and cooperate in research to generate knowledge about protecting, managing, and using forested, rangeland renewable resources.
- *International Forestry Cooperation Act of 1990*: authorizes the agency to work overseas and to provide technical and financial assistance for its international cooperative activities and research.

Natural Resource Assessment

The Forest and Rangelands Renewable Resources Planning Act of 1974 (RPA) requires an assessment of the Nation's natural resources every 10 years, with a 5-year update. The latest assessment, updated in 1993, contains projections of resource use over the next several decades and identifies resource situations that are potentially acceptable, deteriorating or serious.

Potentially Acceptable Resource Conditions are those where existing conditions and projected levels of use can be sustained with current and expected future levels of management.

- Big-game habitats and populations are generally in good condition. These populations are expected to sustain hunter demand and contribute to wildlife viewing opportunities.

- Water quality of streams draining forests and grasslands is generally good, but revegetation, reclamation and other improvement efforts are needed to restore aquatic habitat.
- Range forage is generally available and demands for wildlife and livestock can be met.
- Timber volume offered for sale from National Forests is projected to remain stable at 0.9 billion cubic feet per year through 2000 and then to increase to 1.1 billion cubic feet by 2040.

Potentially Deteriorating Resource Conditions occur when projected future management and technology are not expected to keep pace with demands for resource uses, and/or resource conditions will deteriorate in the future.

- Forest health is a growing concern. From 1986 to 1991, tree mortality increased 24 percent. Many forests are stagnating due to fire exclusion. As a result, they are more susceptible to insects, diseases, and unnaturally large stand destroying fires.
- Loss of biological diversity is likely to continue. As land use intensifies, natural diversity is reduced and ecosystems are simplified. Biological communities may lose productivity, resiliency and their ability to adapt to change.
- While general rangeland health has improved over the past century, some areas are still a concern: increases in noxious weed infestations, soil erosion, and decreases in nutrient cycling rates.
- In arid and semiarid regions, increasing demands for water will lead to water rights conflicts.
- Non-point source pollution from road and trail construction, grazing, logging, and some dispersed recreation is having greater impacts on National Forest System (NFS) lands.
- Changes in water quantity and quality are impacting many aquatic species and habitat.
- As the Nation's population becomes more urban, diverse and older, recreation demands will change. New services and opportunities may be needed to provide customers with a quality experience.

Potentially Serious Resource Situations are those requiring immediate attention because they present serious problems or because there is no known management strategy or technology for dealing with them.

- Unreclaimed, abandoned and inactive mines pose dangers to the terrestrial and aquatic ecosystems, especially as acid mine discharges permeate soil and water resources.
- The number of plant and animal species categorized as threatened or endangered continues to grow.
- Global climate change may affect ecological and economic systems due to shifts in vegetation and productivity. Land use changes that lead to increases in atmospheric pollutants, such as ozone and nitrous oxides, can affect ecosystem productivity and resiliency.

Partnerships and Coordination

Achieving healthy and diverse aquatic and terrestrial ecosystems concurrent with meeting the diverse needs of the American public cannot be done in a vacuum or along jurisdictional boundaries. With the ecosystem approach to management, future resource decisions will be more community-based, collaboratively designed, and

regional in scope. Coordination has taken place with other Federal research, land management and regulatory agencies (such as USDA's Agricultural Research Service and Natural Resources Conservation Service, Geological Survey, Park Service, Bureau of Land Management, Fish and Wildlife Service, and Minerals Management Service, Environmental Protection Agency, Federal Electric Regulatory Commission and the National Marine Fisheries Service), and will continue. State, local and Tribal governments, private land owners, and environmental and industry groups are also key partners in providing information and resources and seeking common ground.

Key External Factors

Certain assumptions guided the agency in establishing realistic goals: the discretionary budget will be flat; the agency will have to redirect funds to implement its goals; and other financial resources will be leveraged from partners, fees and cost savings. Similarly, factors beyond the control of the agency could affect our ability to achieve goals and objectives.

- Natural disasters including floods, droughts and volcanic activity have altered fire patterns, water quality and vegetation growth. Unanticipated needs that result from natural disasters change restoration priorities and may make it difficult to meet certain objectives.
- Global climate change may alter the severity and frequency of natural disasters, along with modifying vegetation processes, habitat ranges and other ecosystem functions.
- Changes in Congressional funding and priorities affect the agency's ability to meet these goals.
- Declining budgets have also forced the agency to downsize which affects the skills mix and composition of the workforce.
- New or amended legislation often directs the agency to modify its workload and management practices and increase responsibilities and financial commitments.
- Changes in the supply and demand for timber, oil and other commodities place pressures on those resources on NFS lands. Similarly, international trade and treaties such as the North American Free Trade Agreement affect domestic supply and demand for these products and their substitutes.
- A growing economy will impact NFS lands in varying ways. For instance, increased expendable incomes mean more summer travel and vacations. This translates into increased recreation use on Forest Service and other lands. A poor economy can decrease the amount of dollars that can be leveraged from alternative sources.
- Management decisions made by State governments, individual landowners, and other Federal agencies affect resource conditions and activities on adjacent NFS lands. In most cases, the States control water quality issues and water rights adjudications, so the agency primarily reacts to State initiatives and cases.

Mission

To sustain the health, productivity and diversity of the land to meet the needs of present and future generations.

The phrase "Caring for the Land and Serving People" expresses the spirit of this mission. Implicit in this statement is the agency's collaboration with partners as stewards of the Nation's forests and rangelands.

As the lead Federal agency in natural resources conservation, the Forest Service provides leadership in the protection, management, and use of the Nation's forest, rangeland and aquatic ecosystems. Our ecosystem approach to management integrates

ecological, economic and social factors to maintain and enhance the quality of the environment to meet current and future needs. Through implementation of land and resource management plans, the agency will ensure sustainable ecosystems and provide recreation, water, timber minerals, fish, wildlife, wilderness, and aesthetic values for current and future generations on NFS lands.

Through technical and financial assistance, the Forest Service will assist States and private landowners to practice good stewardship, promote rural economic development, and improve the natural environment of cities and communities. The agency will continue to develop and use the best available scientific information to facilitate achievement of our goals and objectives. Domestically and internationally, activities will be directed at developing values, products and services in such a way as to maintain ecosystem health.

Goals

The Forest Service mission, strategic goals and objectives are derived from the laws defining and regulating agency activities. The goals and objectives describe tangible progress towards achieving the agency's mission through implementing land and resource management plans. These plans provide guidance for on-the-ground natural resource management in pursuing the strategic goals of ensuring sustainable ecosystems and providing multiple benefits.

Many of the outcome measures associated with particular objectives are still under development. The Forest Service is committed to integrating internationally recognized measures of sustainable forest management into appropriate agency goals and objectives. Until these outcome measures are more fully developed and evaluated for use by the agency, progress towards achieving our goals and objectives will be measured using existing outcome or output indicators. The Forest Service is committed to achieving the following goals.

Goal 1

Ensure Sustainable Ecosystems

This goal focuses on achieving ecosystem health and sustainability through conserving and restoring ecosystem structure, composition and processes, or ecological integrity. A guiding principle is that all forest lands, including public and private, contribute to ecological integrity. Protection, restoration and maintenance of ecological integrity can only be accomplished through cooperation and collaboration among all stakeholders, monitoring efforts across all ownerships and management boundaries, and recognizing that certain ecosystems may not meet standards of ecological integrity. Legislation, including the Organic Act, NFMA, NEPA, Clean Water Act, Public Rangelands Improvement Act, and Endangered Species Act has established a framework for ensuring the sustainability of ecosystems. Public involvement in planning and implementing priority actions as required by NEPA and the Environmental Justice Executive Order E.O. (see Management Initiatives) is vital to implementing this goal.

The majority of NFS lands are in good condition. However, RPA assessments indicate that certain situations threaten ecosystem health. Examples include the buildup and spread of weeds and insects that impair forest and rangeland conditions; soil and water quality and quantity issues that impair terrestrial and aquatic habitat; and the contamination of terrestrial and aquatic resources from unreclaimed mine sites. Restoring these resources to support healthy, diverse and resilient terrestrial and aquatic ecosystems is a primary objective for this goal.

Achieving ecosystem health can include both active and passive management measures. Ecosystem protection and restoration are priorities in all Forest Service activities and can include restricting access, revegetating disturbed areas, mitigating the spread of non-native weeds, insects and disease, managing the use and suppression of fire, and developing habitat conservation plans. Special care is provided for fragile or rare ecosystem components on NFS lands. Developmental and use impacts on all NFS lands are mitigated to minimize negative side-effects.

The Forest Service will identify, implement and monitor restoration priorities on national forest lands and work with other nations, States, and private land owners to encourage sound resource stewardship on other lands and waters. For example, restoring habitat for wildlife, fish and threatened and endangered species improves ecological conditions and provides social, recreational and economic benefits. Ecosystem health can be further restored by replacing forest cover. Revegetation may be used to reduce soil erosion, promote nutrient cycling, and improve habitat for wildlife. Reducing stand density and modifying forest vegetation may be used to improve overall ecosystem diversity. These efforts will improve the likelihood that diversity, sustainability and future management options are maintained.

■ Objective 1.1: Aquatic Ecosystems

Healthy, diverse, and resilient aquatic ecosystems restored and protected to maintain a variety of ecological conditions and benefits and conserve biological diversity.

The Forest Service will improve and protect wetland, riparian and aquatic functions and processes and associated values by restoring impaired soil and water conditions on about 5 percent of NFS lands needing such treatment, and improving about 15 percent of inland and anadromous fish habitat in unsatisfactory condition.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Conduct research on the impacts of land management on aquatic and riparian ecosystems.
- Inventory and describe current conditions on at least 50 percent of NFS wetland, riparian and aquatic ecosystems to establish baseline(s) for measuring progress.
- Describe aquatic ecosystem management objectives in all revised land and resource management plans.
- Monitor water quality and quantity on NFS lands.
- Promote management activities and practices that enhance aquatic ecosystems on non-industrial private forest (NIPF) lands.
- Mitigate off-site soil erosion and in-stream sediment transport influencing wetland and riparian areas.
- Implement watershed assessments and restoration needs associated with the President's Forest Plan for the Pacific Northwest (PNW Plan) and Columbia River Basin, which focus on habitat for salmon and bull trout.
- Obtain in-stream flow rights for streams on NFS lands.
- Work with States, Federal Electric Regulatory Commission, Federal agencies and land owners to secure water rights needed for managing aquatic resources.

- Implement recovery plans for listed aquatic species.
- Establish conservation agreements and strategies for sensitive aquatic species.
- Inventory assess and restore abandoned mines impacting aquatic resources.

Performance Measures

- Improved soil and water conditions on about 125,000 acres.
- Improved inland/anadromous fish habitat on about 8,500 stream miles and 40,000 lake acres.

Situation

Water quality and quantity are important considerations in maintaining healthy aquatic and terrestrial ecosystems. Aquatic and riparian ecosystem conditions have improved during the last decade due to the adoption of best management practices and increased protection of water, air quality, and roads on private lands through State and local regulations. NFS lands provide a quality, dependable source of water. These resources have become even more important as the demand for water resources, especially in the arid West, increases. These demands place increased pressure on fish habitat and populations causing some populations of inland and anadromous stocks across the West to decline.

Recent challenges focus on water rights and uses and non-point source pollution. There is a continued demand for hydroelectric projects many of which pass through or impact NFS resources. Each year, the agency reviews hundreds of relicensing and new hydroelectric proposals that impact aquatic and fisheries resources, recreation opportunities and other values. Conflicts over managing and controlling water resources on NFS lands are increasing in magnitude and geographic extent. In-stream flows can fall below critical threshold levels affecting aquatic habitat and fish populations. Water rights must be secured to assure the sustainability of aquatic ecosystems. Non-point source pollution is impacting surface and ground water on NFS lands.

■ Objective 1.2: Forested Ecosystems

Ecological integrity of forested ecosystems restored or protected to maintain biological and physical components, functions and interrelationships, and the capability for self-renewal.

The Forest Service will restore 5-10 percent of NFS lands identified as needing restoration, and use a variety of treatments to maintain, improve, and restore forested lands to ensure ecological integrity.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Conduct research on the effects of land management, fires, and insects and diseases on forested ecosystems.
- Inventory and describe the current condition of the forested ecosystems of the United States to establish baseline(s) for measuring progress.
- Include management objectives for forested ecosystems in all revised land and resource management plans.

- Develop a collaborative, national strategy addressing forest health.
- Monitor effectiveness of management actions and adapt management practices to reflect knowledge gained in efforts to restore ecological integrity.
- Monitor soil, water, and air quality values on NFS lands.
- Increase coordination with Federal, State and private landowners in monitoring forest health.
- Assist non-Federal forested landowners in developing management plans that protect long-term forest health.
- Protect forest ecosystems through insect and disease prevention, suppression and eradication.
- Promote tree vigor through various management techniques.
- Reforest or reseed areas to replace vegetative cover.
- Restore terrestrial habitat for wildlife and threatened, endangered, and sensitive species (TE&S).
- Implement recovery plans and establish conservation agreements for TE&S species associated with forested lands.
- Consolidate fragmented ownership and facilitate restoration and protection.
- Modify forest vegetation to restore desired forest types or increase ecosystem diversity.

Performance Measures

- Accelerate full implementation of forest health monitoring to cover 100 percent of all forested lands.
- Complete revisions of land and resource management plans for about two-thirds of the national forests.
- Reduce hazardous fuels on about 5 million acres of NFS lands and provide technical assistance to State and private landowners.

Situation

The forested lands managed by the agency are diverse and have increasing value. These lands provide watershed stability, fish and wildlife habitat, recreational opportunities, commercial forest products, and other values. Population pressures, shifting social values, renewed emphasis on long-term sustainability, and the dependency of certain species on forested habitat, have reduced the amount of timber harvested from NFS lands in the last decade. Conversely, projections for recreational use of forest lands show a significant increase in demand.

At the same time, forest health is a growing concern. In many areas of the country, there is a build up of fuelwood resulting from natural succession and high levels of mortality. Unwanted wildland fires that occur in such areas can cause long-term damage to soil productivity. Several factors contribute to these declining conditions. Historic wildfires, past management practices, and other disturbances have resulted in extensive, frequently over-aged and densely forested landscapes. Forest succession in such areas coupled with years of fire control efforts, have yielded overcrowding of forests and changes in understory composition. Forest ecosystem health concerns include invasion by exotic forest insects, diseases, weeds, reduction of biological diversity, degradation of riparian areas, and weather-related forces such as drought and air pollution. Together, these conditions have resulted in vast acreages prone and susceptible to insect and disease infestations and destructive wild fire.

The rural-urban-wildland interface is a particular concern in some localities. Expansion of home developments into or adjacent to rural and forested areas that

are becoming more flammable has also increased the probability of accidental fire and or the loss of life and property to wildfire.

Current monitoring activities help determine ecological conditions and restoration needs, and collaborative partnerships help forge strategies to promote forest health and further rural community economic vitality. Additional research and monitoring is needed, however, to determine the most effective strategies for restoring ecological integrity of the forests.

■ Objective 1.3: Rangeland Ecosystems

Healthy, diverse and resilient rangeland ecosystems restored and protected to maintain robust riparian systems, a variety of ecological conditions and benefits, and biodiversity.

The Forest Service will restore 5-10 percent of NFS land identified as needing work to improve rangelands to a condition supporting native and desirable non-native species as defined by land and resource management plan standards.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Inventory and describe the current condition of the rangeland ecosystems to establish a baseline(s) for measuring progress.
- Include objectives for rangeland ecosystem management in all revised land and resource management plans, including management guidelines for restoring diversity and productivity of degraded grasslands.
- Classify and monitor health of rangeland vegetation.
- Conduct research on how livestock management practices affect noxious weed control.
- Increase cooperative efforts to assess proper functioning condition of riparian and wetland ecosystems.
- Conduct range improvements to restore native species and decrease erosion.
- Restore T&E habitat on rangelands.

Performance Measures

- Complete revisions of land and resource management plans for about two-thirds of the national forests and grasslands.
- Reduce the spread, introduction and impact of weedy plant invasions through implementing the National Strategy for Invasive Plant Management and Fire 21 Policy.

Situation

Rangelands cover two-thirds of all NFS lands and include grass and shrub lands, alpine meadows, felfields, tundra and oak savannas. They provide habitat for wildlife, wild horses and burros, along with numerous other grassland species. Since the turn of the century rangeland conditions have continued to improve. Today, approximately 10 percent of rangelands within grazing allotments are in unsatisfactory condition.

Over-grazing, water shortages and interrupted fire regimes in fire-dependent ecosystems make rangelands more susceptible to wildfires and weed, insect and dis-

ease infestations. Soil loss, weedy plant invasions, and diminished biological diversity are symptoms of declining rangeland health. Restoration efforts must consider single grazing systems that often include State, other Federal, and private lands; drought and temperature extremes; fires; wildlife habitat; wild and domestic grazing of herbivores; and other factors affecting rangeland health. Limited availability of herbicide as a vegetation control mechanism may hamper restoration success.

■ Objective 1.4: Hazardous Substances Sites

Healthy, diverse and resilient aquatic and terrestrial resources restored and protected through hazardous substances site response.

Aquatic and terrestrial resources will be restored and protected through hazardous substances site response under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Complete inventory of hazardous substances sites.
- Secure participation of potentially responsible parties through enforceable orders.

Performance Measures

- Take response actions at 375 CERCLA sites that pose the greatest threat to public health, welfare, or environment.

Situation

Releases from hazardous substances sites can pose significant threats to public health, welfare and the environment. The Forest Service inventory of hazardous substances sites will be completed by the end of FY 1998. At this time, it is estimated that up to 1,700 mines and 120 landfills could require cleanup action under CERCLA. In addition, other sites such as illegal dumps, agency disposal sites, and Formerly Utilized Defense Sites could also require CERCLA response action. Funding for these actions comes from a variety of sources including Agriculture and Interior and Related Agencies appropriations, potentially responsible parties, and other Federal agencies, and State and local governments.

■ Objective 1.5: TE&S Species Recovery

Populations of threatened, endangered and sensitive species will be conserved through recovery and management efforts.

The Forest Service will work with regulatory agencies and others to conserve species listed as threatened or endangered or identified as sensitive.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Conduct research on the habitat requirements of TE&S species.
- Focus on protecting TE&S species as indicators of healthy ecosystems.
- Complete conservation strategies to protect and restore at-risk species.
- Implement ecosystem-based strategies focusing on multiple species.

Performance Measures

- Complete conservation agreements with other Federal and State agencies for 50 percent of the identified sensitive species to prevent listing.

Situation

The status of wildlife, fish and plant populations is a primary indicator of the health of forest, grass and shrub, and aquatic ecosystems. Of the 1,049 species currently listed under the Endangered Species Act as threatened or endangered, 332 have habitat on NFS lands. Habitat that is crucial to maintaining many species of plants and animals is at risk. For example, more than 50 percent of the wetland acreage across the contiguous U.S. is gone; grasslands and savannas have declined by 98 percent. Factors such as logging, road building, habitat fragmentation and long-term fire suppression have influenced TE&S species viability.

Goal 2

Provide Multiple Benefits for People within the Capabilities of Ecosystems

Within the limitations of maintaining ecosystem health and conserving biological diversity, forests and rangelands will be managed to meet people's needs for uses, values, products, and services. The legal mandates set forth in the MUSY, NFMA, the Wilderness Act, Historic Preservation Act, and Cooperative Forestry Assistance Act have directed the agency to provide for multiple benefits from NFS lands and to assist other land owners as they achieve similar goals. On NFS lands, this is accomplished through the land and resource management planning process. Public involvement, as required by the National Environmental Policy Act (NEPA) and the Environmental Justice E.O. 12898 will be used to inform decision making and achieve this goal. Customer surveys will help the agency assess satisfaction.

On non-NFS lands, assistance will be offered to owners and managers to help fulfill mutual objectives in an ecologically sound manner. Domestically and internationally, activities will be directed at developing values, products and services in such a way as to maintain ecosystem health. Ensuring ecosystem sustainability requires managers to monitor and adjust the amount and kinds of uses.

■ Objective 2.1: Recreation**Quality recreation experiences with minimal impacts to ecosystem stability and condition.**

The Forest Service will develop the capability to measure and improve the level of customer satisfaction provided by recreation opportunities (including fish and wildlife use) on NFS lands and the impact of these activities on ecosystem condition.

Investments in recreation management planning and practices will be encouraged on NIPF lands.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Conduct research on trends in recreation demand, and determine the impact of those trends on public land management.
- Promote ecologically responsible recreation use.
- Implement the Recreation Fee Demonstration Pilot.
- Encourage enhanced recreation opportunities on NIPF lands.

Performance Measures

- Develop the capability to measure and improve the level of customer satisfaction provided by recreation opportunities and facilities.
- Improve stream, lake and riparian habitat, provide better facilities and angling access, and increase aquatic education to implement the agency's Recreational Fisheries Conservation Plan.

Situation

NFS lands, facilities and programs provide more outdoor recreation than any other agency, system or organization in the Nation. Recreation activities drew over 859 million visits to national forests in 1996. This public demand is also increasing the pressure on NIPF landowners to provide related opportunities. Spending by recreationists visiting the NFS lands contributed almost \$100 billion to the Nation's gross domestic product. These expenditures including fees, equipment purchased and travel expenses are important to rural communities, which provide many of these services. Revenues to the U.S. Treasury from national forest recreation and special use fees exceed \$46 million annually.

Concession management is a major delivery system for outdoor recreation. About 50 percent of the total developed campground capacity is provided through private concessionaire management. More than 5,000 commercial concessionaires provide developed site recreation experiences on NFS lands. They operate ski areas, lodges and resorts, outfitter and guide services, as well as camps, and generate over \$25 million to the U.S. Treasury. Ski areas, half of which are located on NFS lands, generate over \$18 million in land-use fees and serve some 32 million skiers annually. Outfitter-guide operations, including big-game hunting and white water river rafting, generate \$2 million in fees.

While use at developed recreation sites is increasing, the condition of NFS recreation facilities is declining. Many recreation facilities were constructed in the 1930s and 1960s. These facilities are reaching the end of their designed life and will become unusable if they are not restored or reconstructed. Reconstruction will include changes to meet current customer needs, including compliance with the Americans with Disabilities Act.

■ Objective 2.2: Wilderness

Healthy and diverse wilderness ecosystems that provide quality recreation experiences.

The Forest Service will ensure wilderness is affected primarily by natural processes, is protected from human-caused degradation, and offers outstanding opportunities for solitude or primitive and unconfined types of recreation. The agency will increase customer satisfaction from an established baseline.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Conduct research on sustaining wilderness resources in an ecologically sound manner.
- Inventory air quality values on National Wilderness Preservation System (NWPS) lands.
- Meet national or wilderness plan objectives.
- Conduct prescribed fire on NWPS lands.

Performance Measures

- Manage all wilderness areas to approved wilderness plan standards.
- Reconstruct approximately 1000 miles of wilderness trails to standard.

Situation

Since passage of the Wilderness Act in 1964, the NWPS has grown from about 9 million acres to 103.5 million acres. The Forest Service manages almost 400 of the 630 units in the NWPS (nearly 35 million acres), including approximately 31,000 miles of trails. Recommendations for Wilderness Areas are established as part of the land and resource management planning process. In FY 1995, a total of 13.9 million visitor-days were recorded. An area is designated as wilderness to protect and preserve the natural character, but still allow visitor opportunities for solitude or a primitive type of recreation. Management activities in wilderness areas are limited. The forces of nature—fire, insects and disease, among many other phenomenon—are allowed to play their role in wilderness without intervention, as long as they do not threaten resources and properties outside the designated Wilderness boundary. High levels of visitor use and threats such as air pollution, exotic plants and animals, insect and disease problems, mineral development and grazing are placing increased pressure on wilderness areas.

■ Objective 2.3: Heritage Resources

Protected and restored heritage resources that are available for the education and use of current and future generations.

The Forest Service will increase visitor satisfaction through awareness and participation in inventory, restoration, and protection from vandalism.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Research heritage resource conservation education, management, and enhancement techniques.
- Inventory NFS lands for heritage resources.

Performance Measures

- Increased participation in interpretive activities, protecting heritage resources and restoring damaged sites to improve visitor satisfaction.

Situation

The National Historic Preservation Act directs Federal agencies to administer federally owned or controlled prehistoric and historic resources for the benefit of present and future generations. NFS lands contain the evidence of more than 10,000 years of human history. Many of these resources have been destroyed or are threatened by natural causes or by artifact hunters who destroy the sites looking for artifacts. Public interest has resulted in an increased need for interpretation of heritage resources, such as "Windows On The Past" and "Passport in Time."

Native American concern over treatment of Native American remains and religious sites is also growing, and repatriation of burial and human remains under the Native American Graves Protection and Repatriation Act (NAGPRA) remains a significant issue. Heritage resources from both contemporary and ancient Native American cultures provide information on environments in the past and establish a social context for ecosystem management.

■ Objective 2.4: Urban Forests**Improved urban environments and enhanced community livability through healthy landscapes.**

The Forest Service will increase assistance to eligible communities by 25 percent to increase local capacities to assess, expand, and improve urban environments.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Research the social and economic benefits of urban forestry.
- Increase citizen involvement in tree planting, care and protection.
- Conduct studies on pollution reduction and climate moderation in urban environments.

Performance Measures

- Provide assistance to improve the natural, economic and social environments of about 8,000 towns and cities annually.

Situation

There are 45,000 towns and cities with thousands of acres of urban and community forests. These forest resources improve the environmental and social conditions by mitigating air, water, soil and noise pollution, reducing energy use and beautifying communities. The agency plays an important role in ensuring that

these forest resources are managed sustainably and in a manner that provides environmental, social and economic values for the communities.

■ Objective 2.5: Rural Communities

Economically healthy and diversified rural communities operating under strategic plans for sustainable development.

The Forest Service will increase the number of assisted rural communities working under broad-based local strategic plans by 3 percent a year until reaching the goal of 50 percent of all assisted communities operating under such plans.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Research forest and rangeland use in rural development, recreation and tourism and include analysis of individual values toward natural resources and stakeholder involvement in decision making.
- Develop strategic approaches with Federal, State, and local agencies and organizations to assist rural communities in diversifying their economies and create capacity for sustainable development.

Performance Measures

- Number of assisted communities operating under local strategic plans increasing at 3 percent annually.

Situation

Rural counties comprise nearly 72 percent of all counties in the United States. Of the rural counties, nearly 70 percent are highly dependent on forested and rangeland resources, and many of these communities are home to Forest Service offices. Changes in the way public lands are being managed have brought both opportunity and hardship to rural communities. Diversified economies give rural communities the capacity to weather changes in resource demands and uses.

■ Objective 2.6: Forest Products

A sustainable yield of forest products that contributes to meeting the Nation's demands and to restoring, improving or maintaining the forest ecosystem health.

Within the context of maintaining and restoring healthy forests, the agency will provide a sustainable supply of forest products from NFS lands and encourage other land owners to do the same.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Develop information through forest planning, inventories and monitoring that will help establish sustainable levels of forest products within the capabilities of ecosystems.
- Ensure that taxpayers receive a fair return for the use and sale of wood fiber from NFS lands.
- Improve techniques for extracting fiber with minimal disturbance to the ecosystem and developing uses for under-utilized species.
- Research will provide information on the biology and management of non-wood forest products including wild mushroom, Spanish moss and pine straw.

Performance Measures

- Provide sustainable amounts of forest products removed from NFS lands and promote sustainability on other lands.

Situation

Timber is produced from Federal, State and Tribal lands, industrial private lands, and non-industrial private lands. Fifty-eight percent of the Nation's commercial forest land is held by 9.9 million non-industrial forest owners and provides two-thirds of the annual U.S. timber harvest. The national forests are the major producer of timber from Federal lands. Timber contributes to local and national economies and supports the production of forest products.

The NFS contains about 140 million acres of forested land. Timber production is a management objective on about 50 million acres. Timber sales are often designed to incorporate broader objectives, including insect and disease control, wildlife habitat management and fuels treatment. Agency sales averaged 3.7 billion board feet (BBF) from 1992 to 1996. In addition to traditional forest products, special forest products (e.g., medicinal materials, edible and decorative items) provide new potential benefits; and demand for these products is growing.

■ Objective 2.7: Forage

A sustainable supply of forage on suitable and capable lands for livestock and wildlife.

Grazing allotments will have NEPA analysis and management decisions implemented according to schedule, while supporting native populations of wildlife, aquatic and TE&S species.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Improve techniques for monitoring grass and shrub lands using the latest research findings.
- Research methods for restoring degraded lands through weed control and soil restoration.
- Monitor allotments to ensure that they are being managed as agreed.
- Maintain and increase the number of range structures.

Performance Measures

- Complete NEPA analysis on grazing allotments according to the schedule developed in response to direction in the FY 1995 Recission Bill.
- Restore deteriorated rangelands.
- Provide a sustainable supply of forage.

Situation

About 46.2 million acres of NFS lands are considered to be suitable for livestock grazing. Grazing meets people's needs for wool, leather, meat, and other products. Fees to the Federal Government from livestock grazing are either shared with local counties for roads and schools, returned to the U.S. Treasury, or used for range-betterment projects. The emphasis on restoring rangelands and riparian ecosystems to provide fish and wildlife habitat, recharge aquifers and prevent soil erosion will lead to changes in grazing management.

■ Objective 2.8: Minerals**Available mineral resources that comply with environmental and health standards.**

The Forest Service will administer all minerals and geology operations to standard.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Research and share information on techniques for mitigating the environmental effects of mineral and geology operations.

Performance Measures

- Process an average of 13,000-14,000 energy and non-energy operations annually.
- Administer bonded and non-bonded, non-energy and energy operations to standard.

Situation

The United States is a minerals-rich Nation, with supplies of many metallic and precious metals sufficient to accommodate domestic demand through 2040. The country is a net exporter of gold, phosphate rock and molybdenum. The majority of mineral production is on privately held lands. Much of the onshore recoverable crude oil and natural gas is believed to reside under public lands.

NFS lands have about 6 million acres leased for oil and gas, over 150,000 mining claims, about 6,000 mineral material pits and quarries, over 11,000 new operations proposed each year and more than 9,000 operations to monitor and inspect. The Nation's largest coal mine is on NFS lands as well as much of its phosphate and lead production. The annual revenues exceed \$200 million to the U.S. Treasury. These are received from lease rentals, royalties, bonus bids and sales. Many of these revenues are returned to the States where the mining occurred.

Goal 3

Ensure Organizational Effectiveness

An effective organization is needed to achieve the agency's mission. The Forest Service has chosen to emphasize two types of objectives within this goal:

1. programmatic objectives that are critical to achieving the agency's mission but whose outcomes, outputs and inputs are not easily separated among the mission-oriented goals and objectives; and
2. management initiatives which are designed to improve our organization, customer service, and the way we do business.

Objectives relate to generating scientific information, protecting and maintaining resources and facilities for agency and public use, and fulfilling basic land stewardship responsibilities to help ensure sustainable ecosystems and provide multiple benefits to people.

Key management initiatives are included to emphasize their importance in achieving the agency mission and to assure our partners and customers that we are correcting some deficiencies in our information and business practices. Integrated land and resource management requires good resource information and good financial information. Systems that integrate both types of information are necessary for internal management purposes, as well as for supporting communication with our partners and customers. The agency is committed to developing and maintaining integrated systems and business processes that are effective and efficient in meeting internal and external needs.

The agency is also committed to a customer service ethic focused on serving the needs of customers, including low-income, minority and historically underserved communities. This commitment includes having an innovative workforce that is representative of society.

■ Objective 3.1: Scientific Information

Better resource management decisions based on the best available scientific information and knowledge.

Science-based information and knowledge are available and incorporated into natural resource decision making. New technology is developed, adapted and transferred to facilitate more effective resource management. Forestland data collection is accomplished according to established schedules. Monitoring results are incorporated into land and resource management plan revisions.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Collect and assess the information necessary to meet the needs of resource managers and achieve the strategic goals and objectives of the agency.
- Build technology transfer programs into research programs to improve the availability and use of new information and technologies.
- Complete resource assessments through research, inventories, and monitoring.
- Incorporate management options into forest plans through existing research, inventories and monitoring.

Performance Measures

- Publish an average of 1,000 scientific papers in refereed (peer reviewed) journals each year.
- Complete revisions of land and resource management plans for about two-thirds (81 of 123) of the national forests and grasslands.
- Survey an average of 5 states each year to meet the identified Forest Inventory and Analysis cycle.

Situation

To make sound resource decisions, land managers must have better scientific and resource information, resource changes over time, and the functions of forest and grassland ecosystems. This essential knowledge is the output of several Forest Service programs, and must be gained at a reasonable cost.

For more than 60 years the Forest Service has conducted an inventory and analysis of forested lands in the United States. These programs provide land managers with an inventory of current natural resource conditions and changes over time, as well as the basis for forest plan revisions. Portions of the Forest Health Monitoring (FHM) and Forest Inventory and Analysis (FIA) programs are currently being integrated to decrease cost and improve quality. Programs include the national/regional condition surveys of FHM, the regional/forest level timber supply and forest ecosystem status of FIA, and the disease/pest surveys of the Aerial Pest Survey.

Inventory and analysis of natural resource conditions include an analysis of social factors that influence resource management decisions. In addition to economic effects, research is focusing on the attitudes, beliefs, and the values people hold toward forests.

■ Objective 3.2: Public Safety**A safer environment for the public and employees on NFS lands.**

The Forest Service will reduce criminal activities associated with loss and damage to natural resources and structures below FY 1997 levels, and increase forest patrols to create a safer environment for visitors and employees.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Increase the presence of field-going law enforcement personnel to protect natural resources, property, visitors and employees.

Performance Measures

- Reduce criminal activities associated with loss and damage to natural resources and structures below FY 1997 levels.

Situation

Crime affects natural resources, Federal property, visitors to public lands, and Forest Service employees. Criminal activities on lands administered by the Forest Service are increasing. Timber theft, archaeological resource damage, vandalism, and marijuana growing are examples of the most common criminal activities on Federal lands.

■ Objective 3.3: Permit Administration

Customers are satisfied with the administration of special use authorizations.

The Forest Service will administer special use authorizations to adequately meet public, health and safety standards, and be responsive to applications for new authorizations.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Update the methods used to accept, review and process special use proposals.
- Develop cost recovery regulations to improve accountability to applicants and authorization holders.

Performance Measures

- Administer special use permits to standard.

Situation

Special uses management involves providing authorizations for use of NFS lands by individuals, companies, organized groups, other Federal agencies and State or local governments in accordance with land and resource management plans. These authorizations vary in duration and commonly require payment of an annual fee. There are more than 62,000 active non-recreation special use authorizations on NFS lands, including communication sites, public and private roads, and energy related transmission rights-of-way. Authorizations are issued after an analysis of the need, potential environmental impacts, and consistency with agency management policy and plans. The authorization contains appropriate terms and conditions to ensure public safety and protection of NFS resources.

■ Objective 3.4: Boundary and Title Management

NFS resources and land title are protected through conflict-free and legally defensible boundary lines.

The Forest Service will survey, mark and maintain 63 percent of its boundary lines to standard.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Maintain clearly identified boundaries to standard.

Performance Measures

- Survey and mark 63 percent of Forest Service boundaries to standard.

Situation

Responsible management of NFS lands requires that the agency has clearly defined boundaries for lands it administers and resolves trespass, encroachments and title claims in a timely manner. Boundaries established by legal surveys, which

are clearly marked and posted on the ground, provide the land manager with defined perimeters for resource activities and development, while protecting the property rights of adjacent landowners. Well-marked boundaries deter timber theft and encroachment on public lands and enhance the protection of environmentally sensitive areas. Increasing development in the wildland/urban interface accentuates the need for legally and physically identified boundaries. Currently, in areas where Forest Service lands are adjacent to highly populated areas, maintenance of surveyed boundaries needs to occur on a 1- or 2-year cycle, compared to the generally recommended 10-year cycle.

■ Objective 3.5: Capital Infrastructure

An efficient and effective infrastructure that supports public and administrative uses of National Forest System Lands.

The Forest Service will maintain and restore existing infrastructure (e.g., roads, facilities, and dams) to protect these capital investments where they are needed to provide safe, efficient and environmentally suitable support for agency activities and public use.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Objective

- Research techniques for minimizing the environmental impacts of new and existing roads on water and sediment.
- Periodically evaluate the road system to ensure that it meets the agency's mission.
- Manage the existing road system to minimize environmental damage, enhance user safety and provide public benefits through an appropriate combination of maintenance, reconstruction and obliteration activities.
- Identify roads as potential candidates for obliteration where the public interest indicates they are no longer desirable.
- Develop lower impact techniques for obliterating out-of-service roads.

Performance Measures

- Conduct appropriate maintenance activities on an average of 40 percent of the road system each year.
- Obliterate an average of 1,500 miles of road each year.
- Complete an average of 10 percent of the high priority facility reconstruction projects each year.

Situation

Forest Service infrastructure is composed of all facilities, transportation systems, and utilities that are necessary to meet public and administrative needs. Most of the required infrastructure is in place. In some areas, the existing infrastructure does not meet current use demands, support the needs of management or meet acceptable standards for use and resource protection.

Most Forest Service buildings are at ranger districts and work centers in rural areas. Nearly half of the 16,000 facilities are over 30 years old, and many have deteriorated. Maintaining buildings for intended purposes will support a healthy and safe work environment, result in higher employee productivity, improve public

image, lower costs and improve customer service through better access.

Most roads in the system were constructed as timber access roads. However, they are now used for additional purposes, including access for hunting and fishing, range and wildlife use and management, fire control, dispersed recreation, and administration. Many of these roads are currently not maintained to the standard necessary for the types of use they receive. This lack of maintenance results in access difficulties and environmental damage, particularly to water quality.

Management Initiatives

The Forest Service strategy for ensuring organizational effectiveness focuses on open and informed decision making, supporting a diverse workforce and improving customer service. The agency will work with its diverse communities to identify the goods and services that it can best provide. To be more effective, the agency will strengthen line management accountability, pursue advancements in information technology, and increase investments in program monitoring and evaluation. The agency will provide an atmosphere in which employees are respected, trusted, and valued, and in which expertise and professionalism are rewarded. Information management will focus on implementing systems through which data can be easily shared, work coordinated, technologies linked, and customers served, both internally and externally. These Department and government-wide initiatives have established the context and direction for our management initiatives:

- **Secretary's Civil Rights Agenda:** In 1996, the Secretary of Agriculture established a Civil Rights Action Team to investigate civil rights violations and complaints by USDA customers and employees. The team, with representatives from the Forest Service and other USDA agencies, was charged with proposing recommendations that addressed institutional and underlying problems, and developing ways to implement actions to ensure accountability. In February 1997, the Secretary issued the team's final report and endorsed its recommendations. Implementing those recommendations is an essential part of the Forest Service strategic plan.
- **Environmental Justice Implementation:** Executive Order (E.O.) 12898, issued in 1994, requires each Federal agency to focus attention on the health and environmental conditions in minority and low-income communities, foster non-discrimination in programs that affect human health or the environment, and give minority and low-income communities better opportunities for public participation and access to information on issues affecting human and environmental health. In particular, the E.O. cites the effect of agency actions on subsistence hunting and fishing by Native Americans. The Forest Service has integrated consideration of environmental justice into its NEPA compliance and will continue to review and improve its environmental analysis, disclosure, and decision-making procedures to ensure that minority and low-income communities have opportunities for public participation and access to information. The Forest Service is also providing leadership and support in implementing a USDA-wide environmental justice policy and strategy.
- **Reinvention of the Federal Government:** The National Performance Review, conducted by Vice President Gore, emphasizes cutting red tape, putting customers first, empowering employees to get results, and getting back to basics. As a part of this effort, the Forest Service is adopting quality standards for customer service, training its employees in effective service, and providing for accountability through customer satisfaction surveys.
- **Financial Management:** In July 1996, the USDA Inspector General issued an adverse opinion criticizing the Forest Service financial management systems, operations, and workforce skills. Numerous internal and external reports have also docu-

mented weaknesses in Forest Service business practices. New Federal financial management requirements direct the agency to integrate financial management systems and utilize financial information for measurement of performance. The agency is committed to working with USDA's Office of the Chief Financial Officer and Office of Inspector General, OMB, and the General Accounting Office to improve financial management performance.

■ Management Initiative 1

WORKFORCE MANAGEMENT

An innovative, people-oriented work environment and workforce that is representative of society as a whole.

The Forest Service will achieve the following: 1) planning processes that fully integrate the needs and values of all publics, including low-income, minority and historically underserved communities, 2) program services and benefits that are fully extended to low-income, minority and historically underserved communities through aggressive systemic changes in program delivery projects; and 3) cultural competencies that will be fully implemented within the organization.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Management Initiative

- Implement pilot project to assist agency learning about the needs and values of low-income, minority and historically underserved communities.
- Translate collaborative relationship pilot projects for low-income, minority and historically underserved into on-going system changes in program development and delivery processes.
- Establish a team to resolve existing employee complaints and minimize the number of future complaints dealing with civil rights issues.
- Assess employee perceptions of communication, human resource management, job satisfaction, organizational management, service and quality, and supervision.

Performance Measures

- Measure change using indicators identified in the Civil Rights Action Team report.
- Measure employee satisfaction through the Continuous Improvement Process (CIP) questionnaire.
- Achieve improvement goals based on assessment of CIP results.

Situation

From 1995, the agency's staffing has decreased 11 percent to 37,184 full-time equivalents (FTEs) for 1997. With a smaller workforce and fewer dollars, more efficient means are necessary to ensure that the agency's mission is accomplished.

The character of the Nation's workforce is changing rapidly. Women, minorities, and people with disabilities collectively outnumber the rest of the population. As a result of changes in demographics and government-wide initiatives, the agency's business is also changing, requiring the addition of new disciplines. Providing a work environment in which employees and customers are valued is a target during the next 5 years. People in the work place cannot perform at peak

efficiency without appropriate physical facilities, and will not perform at peak efficiency without a satisfactory work environment. Assessments have shown that, for the benefit of both the employee and the customer, the work environment at the Forest Service needs attention.

The full array of agency benefits, services and products as well as programs that advance the understanding of ecosystem concepts and principles have not been extended to low-income, minority or historically underserved communities. Consequently, these populations remain in the periphery of the agency's delivery systems, and their use of forest resources may not comply with laws, regulations and policies. In addition, agency personnel often do not possess the cultural competencies and language skills to fully engage these populations. As a result, public contacts, marketing materials, conservation education, and collaborative stewardship techniques are not designed to encourage participation by these populations. At present, program services and products also do not measurably increase the quality of their visitation or their communities.

As a result of USDA customer and employee concerns, the Secretary established a Civil Rights Action Team, which recommended actions to improve the treatment of women and minorities. The Secretary accepted those recommendations, and the Forest Service is working to implement them. The Secretary has stated that he will improve the treatment of customers interacting with the Department and conditions in the work place so that employees are free from harassment, discrimination, and inequities.

■ Management Initiative 2

CUSTOMER SERVICE

All customers receive better service.

The Forest Service will implement customer service standards derived from customer surveys.

Time Frame for Completion

By the end of 2000.

Strategies for Achieving the Management Initiative

- Participate in National Performance Review customer service task force.
- Develop program-specific questionnaires to evaluate the level and quality of service provided to customers.

Performance Measures

- Establish customer standards for Forest Service programs and assess customer satisfaction performance.

Situation

The Forest Service is committed to serving the public interest by working with Congress and the courts and other Federal departments. The agency also collaborates with local, State and Tribal governments and a spectrum of interest groups. To operate within such a setting is not only challenging, but requires a continuing, concerted effort to maintain the public trust and provide effective service.

■ Management Initiative 3

INFORMATION MANAGEMENT

Integrated information system; data structures and information management processes in place to support the agency's mission.

The IBM system will be completely installed and all employees will be system users. Major information processes will be re-engineered, and major applications will meet the needs of the agency.

Time Frame for Completion

By the end of 2000.

Strategies for Achieving the Management Initiative

- Evaluate information needs and develop and implement information management process changes.

Performance Measures

- Implement the IBM system throughout the agency.

Situation

To meet the increasing demands on the Forest Service, it is essential that all information needed to accomplish work tasks be integrated into an electronic medium where it can be readily accessed and easily shared. The current Data General system is outdated and outmoded. The new IBM system will provide not only the current administrative applications, but also a Geographic Information System (GIS) capability which will allow greater and quicker manipulation of the resource information crucial to resource decision-making. It will also provide better communications between the Forest Service and other public and private entities and individuals, thus facilitating the representation and integration of varying views into Forest Service decision making.

■ Management Initiative 4

FINANCIAL MANAGEMENT

A sound financial system which supports resource decisions with timely, accurate information and financial expertise.

The Forest Service will have financial systems that support fiscal accountability and facilitate comparisons of costs, revenues and accomplishments. The agency will receive "clean" audit opinions on its financial statements for FY 1999 and each year thereafter, and use this financial information and expertise to make sound resource decisions.

Time Frame for Completion

By the end of 2000.

Strategies for Achieving the Management Initiative

- Work with USDA's Chief Financial Officer and Inspector General and the Government Accounting Office to review and improve the agency's financial systems.
- Remedy deficiencies identified in the USDA Inspector General's audit, GAO reports or business practices, and internal financial management reports.

Performance Measures

- The agency will receive “clean” audit opinions on its financial statements for FY 1999 and each year thereafter.

Situation

In July 1996, the USDA Inspector General issued an adverse opinion criticizing the systems, operations, and skills used by the Forest Service in financial management. The audit identified four areas of deficiency: 1) plant, property and equipment, 2) cash and unexpended appropriations, 3) revenues, reimbursements and accounts receivable, and 4) management issues.

■ Management Initiative 5**ORGANIZATION MANAGEMENT**

An effective and efficient administrative organization that supports the Forest Service mission.

The Forest Service will develop and use a systematic approach to assessing the administration of the agency and will have established a baseline(s) from which to set improvement goals in future years.

Time Frame for Completion

By the end of 2002.

Strategies for Achieving the Management Initiative

- Develop methods to assess the improvement in the business functions.
- Implement business-like framework for management and accountability.

Performance Measures

- Develop and incorporate outcome-oriented performance elements for employee standards.
- Implement cash management initiatives including establishing electronic funds transfer for all program and vendor payments.
- Implement provisions of the Debt Collection Improvement Act of 1996, including improved debt prevention techniques to reduce program losses, and procedures for referring and recording delinquent debt to Treasury for cross-servicing and administrative offset.

Situation

The President's National Performance Review (NPR) encouraged agencies to review their business processes in order to identify efficiencies. The Forest Service reinvention study identified a number of processes that could be improved through re-engineering. The Congress has also taken steps to increase accountability for performance across Government. The public is demanding more efficient and effective governmental operations. These demands for a more businesslike framework for management and accountability coincide with an era of decreasing Federal budgets.

Linkage of Goals to Annual Performance Plan

The three general strategic goals and their objectives are the basis for the annual goals contained in the Forest Service Annual Performance Plan required under section 1115 of GPRA. Since the general strategic goals are broad and longer-term, they have been subdivided into objectives which are more easily quantified. They provide focus and emphasis, assist in achieving the general strategic goals, and can be identified for a 3- to 5-year timeframe. Each objective is crosswalked to the current budget structure in the agency's annual performance plan.

Most of the performance measures used in this plan will also be used in the annual performance plan. Additional performance indicators will be identified and used to monitor progress toward achievement of annual goals. In any given year, priority concerns related to a goal or availability of new data may lead to the use of different measures. Where applicable, trends and baselines will be included. Where possible, indices or combinations of indicators will also be identified for the objectives, although development of these lies in the future in most cases. Annual accomplishments for the objectives and annual performance plan goals will be recorded in the Management Attainment Reporting (MAR) system and other data bases until the agency's corporate data management plan is fully implemented.

The Annual Performance Plan will constitute the basic management tool to direct resources to implement key strategies and identify specific efforts that will be used to achieve goals, objectives and performance measures. Performance plans will include estimated staff years and program costs required to achieve performance goals.

Goal 1: Ensure Sustainable Ecosystems is linked to the following budget program activities: State & Private Forestry (S&PF), National Forest System (NFS), Land Acquisition, Wildland Fire Preparedness, Wildland Fire Operations, Permanent Appropriations, Cooperative Work and Trust Funds, and the Reforestation Trust Funds. Goal 2: Provide Multiple Benefits is linked to S&PF, NFS, Reconstruction and Construction, Wildland Fire Preparedness, Wildland Fire Operations, Permanent Appropriations, and Cooperative Work and Trust Funds. Goal 3: Ensure Organizational Effectiveness is linked to Research, S&PF, NFS, Construction and Reconstruction, and Permanent Appropriations.

Resources Needed

Budget Needs

The resource conditions identified in the RPA assessment provide the focus for the general strategic goals and objectives in this strategic plan. Quantifiable information on resource needs is still being developed. Considerable investments are being made, and will continue to be required to protect and restore ecosystems and to meet appropriate levels of demand for uses, goods, services and information. It is assumed that financial resources will continue to come from a variety of sources, including appropriated funds, contributions from partners, fees, and cost savings from new technology and re-engineering.

The non-defense discretionary (annually appropriated) portion of the Federal budget is expected to decline as a share of the total. Funding increases will likely not keep up with inflation, resulting in a Forest Service appropriated budget that is flat or declining over the next few years. The agency is not anticipating significant increases in total available funding within the lifetime of this strategic plan unless internal efficiencies can be achieved and external funding secured.

The Forest Service budgets for FY 1995, 1996 and 1997 were relatively stable in terms of discretionary appropriations. However, significant increases in the Wildland Fire Management Appropriation between FY 1995 and FY 1997 have offset overall

decreases, some rather substantial. Other increases in some permanent appropriated funds (salvage, K-V, etc.) have also partially offset the discretionary reductions.

Achievement of the general strategic goals and objectives will require redirection of funding within and between budget line items under the current budget level and structure. The agency will maximize its efforts to achieve these goals and objectives within this context, and continue to request additional funds to accelerate their accomplishment. Approved employment levels decreased from 38,330 in FY 1995 to 37,184 in FY 1997. FTE levels are expected to decline slightly from the FY 1997 level.

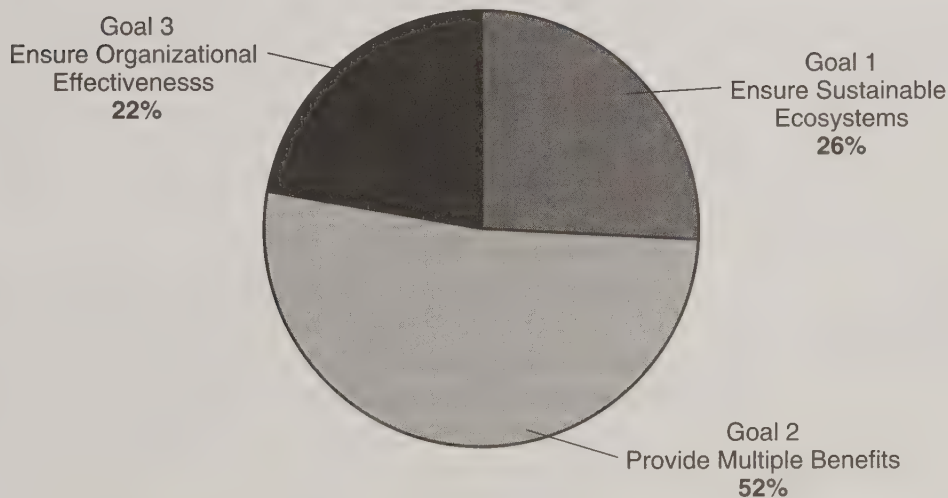
Priorities

All of the goals and objectives in this plan are important. The annual performance plans accompanying the agency's budget submissions for FY 1999 and beyond will establish the priorities or rate of implementation for the goals and objectives in the strategic plan.

Preliminary estimates of the costs for achieving individual goals were done for the FY 1999 Performance Plan. These costs were developed using a cross-walk linking programmatic strategic objectives with the agency's budget structure. Applying this cross-walk to the FY 1997 Final Congressional Appropriations results in the following percentage distribution of total budgetary costs (i.e., discretionary appropriations, permanent appropriations and trust funds) among the three strategic goals:

- Goal 1: Ensure Sustainable Ecosystems 26%
- Goal 2: Provide Multiple Benefits 52%
- Goal 3: Ensure Organizational Effectiveness 22%

Forest Service FY 1997 Resource Allocations



As the agency refines its cost estimates and implements its priorities under this strategic plan, future funding distributions are likely to be somewhat different than those displayed above.

Non-Budget Needs

Implementation of this strategic plan will involve not only a redirection of funds within the current budget, but will also include some changes in how the agency approaches its mission. This will involve a different focus within Research that is more closely aligned to the agency general goals and objectives, increased collaboration with and participation by the American public, the use of an adaptive management approach and increased monitoring and evaluation to assess the results.

Research-Management Collaboration: Implementing the ecosystem approach to management will improve planning and integrate ecological, social and other information into decision-making. Managers will consider people's attitudes, beliefs and values toward the land and involve them in the decision-making processes. Cooperative teams of scientists and managers in assessment projects will be used to address resource management issues. The Forest Service will work closely with other agencies, the academic community and partners to bring science into decision-making. As the ecosystem approach to management evolves, the Forest Service will fulfill its responsibility to provide goods and services for people, with renewed attention to the capabilities of natural systems.

Adaptive Management: One premise of the ecosystem to management is that scientific knowledge will continue to expand, changing our understanding of how ecosystems work and how they are influenced by human activity. By remaining flexible and allowing for the incorporation of new knowledge and changing conditions, managers can adapt their approach and thereby improve the results of their efforts over time. It may be necessary to make organizational changes, as appropriate, in response to changing conditions and needs. No matter what challenges are brought by increased understanding of the physical, biological, social, and political world, the Forest Service will rely on adaptive management as a key to its success.

Monitoring and Evaluation: In order to apply the concept of adaptive management, a comprehensive program of monitoring and evaluation will be necessary. Sustainable forest management requires forest managers to measure and judge their collective progress while providing the public with a record of their accountability. Monitoring and evaluation are required components of all land and resource management plans and are essential parts of sustainable forest management. Although key to achieving the agency's mission, they have historically been weak links in the agency's management practices. In response, the Forest Service and the EPA have established a Forest Health Monitoring Program.

Program Evaluation

In addition to using the results of the RPA Assessment, the Forest Service used a number of other reviews and evaluations to help determine agency goals and objectives. These included the results of the Chief's reviews of regions and stations, Deputy and program reviews, and GAO and OIG audits. The results of on-site customer satisfaction surveys and targeted customer focus group surveys were also used to evaluate programs and establish objectives.

Evaluating whether or not we are achieving the desired outcomes will occur through a variety of means. This evaluation will be accomplished largely through monitoring of program results on an annual basis and on a longer term basis for strategic goals and outcomes. Evaluating program results for possible revision of the strategic goals and objectives will require consideration of information from a wide variety of sources.

Strategic Management Reviews: The agency is currently developing a strategy for reviews that address the need for management and accountability at a strategic,

corporate and integrated scale. This review mechanism, tentatively called a Strategic Management Review, would not replace the current system of program, activity and compliance reviews; rather it would evaluate corporate performance towards achieving the agency's mission and strategic goals. The focus would be on results, outcomes and linkages among RPA and GPRA strategic goals, budget, and other planning (forest, Research, and S&PF plans). For example, a strategic management review would look at whether or not annual performance plans and budgets were actually producing the desired outcomes. Broad customer satisfaction assessment would be a key component of these reviews. The results of these reviews would be used to revise both the strategic plan and the annual performance plans. It is estimated that it will take approximately 2 years to develop a clear and shared understanding of how to assess results at the corporate level and select the best methodology. Strategic management reviews would then take place on at least an annual basis (more frequently if needed).

These strategic management reviews would be supplemented by information and analyses from a number of other sources, including updates to the RPA Assessment, customer feedback and public comment, Chief, Deputy and Program reviews, GAO and OIG reviews, ecoregional assessments, and the results of resource monitoring and evaluation.

Individual Performance Evaluations: Accountability for achieving agency goals and objectives will be linked to individual performance. Key performance measures and indicators will be integrated into the standards used to evaluate annual performance for individual employees. Some line officer performance standards for FY 1997 have been modified to reflect this linkage to agency goals and objectives.

Monitoring and Evaluation Efforts: A number of laws authorize the Forest Service to monitor and evaluate its programs and activities. Such provisions are a part of the National Forest Management Act, the Forest Ecosystems and Atmospheric Pollution Act, the Cooperative Forestry Assistance Act, the Clean Water Act, and most recently, the GPRA.

Current monitoring and evaluation efforts yield information that is essential in ecological assessments, forest planning, forest pest and disease management, and forest health monitoring. There are also monitoring and evaluation activities related to fiscal accountability, legislative responsibility, and workplace diversity, as well as other management responsibilities. The Forest Service will continue to strengthen its monitoring and evaluation programs and will more effectively use the information these programs provide.

In addition to their use in adaptive management, monitoring and evaluation will also continue to provide information about Forest Service compliance with the law. The Forest Service and others, including industry, environmental groups, and other Federal agencies, will continue to monitor and evaluate forest management practices and results. Such efforts have confirmed the need for more broadly focused efforts as an integral part of ecosystem management.

Role of External Entities

While public input was sought to help frame agency goals and strategies, this strategic plan was completed without the assistance of non-government contractors and no non-government resources were used to produce this final plan.

FS

Handwritten title or header

Handwritten notes, possibly a list or series of points, starting with a circled '1'.

Handwritten notes, possibly a date or specific reference.

Handwritten notes, possibly a paragraph or a detailed list item.

Handwritten notes, possibly a paragraph or a detailed list item.

Handwritten notes, possibly a paragraph or a detailed list item.

Natural Resources Conservation Service (NRCS) Strategic Plan



Table of Contents

Introduction	6-39
Key External Factors	6-42
Mission	6-42
Goals	6-43
Management Initiatives	6-57
Linkage of Goals to Annual Performance Plan	6-59
Resources Needed	6-61
Program Evaluation	6-61
Role of External Entities	6-62

Handwritten text, possibly a title or header, located at the top of the page. The text is faint and difficult to read.



Handwritten text at the bottom of the page, possibly a signature or date. The text is very faint and illegible.

Introduction

The Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture is the lead Federal agency for conservation on private land. NRCS, formerly the Soil Conservation Service (SCS), serves the United States and its territories, commonwealths, and freely associated governments. SCS was established in 1935 to carry out a continuing program of soil and water conservation on the Nation's private and nonfederal land. NRCS, established by the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962), combines the authorities of the former SCS and directs sixteen additional financial or technical assistance programs for natural resource conservation and rural development.

NRCS provides conservation technical assistance through local conservation districts to individuals, communities, watershed groups, tribal governments, Federal, state, and local agencies, and others. The NRCS staff at the local level work with state and local conservation staff and volunteers in a partnership to assist individuals and communities to care for natural resources. NRCS also develops technical guidance for conservation planning and assistance. This technical guidance is tailored to local conditions and is widely used by NRCS staff and governmental and nongovernmental organizations to ensure that conservation is based on sound science.

NRCS is proud to be partners in conservation with America's private landowners, conservation districts, state and local conservation agencies, and others. This partnership has stabilized the American landscape, helped increase agricultural productivity, kept agriculture profitable, improved our environment, and improved the quality of life in rural areas. The dynamic nature of agricultural and environmental systems means that conservation is a continuous process — one that is challenged to keep pace with natural resource conditions, land use, market forces, and production technology and trends, among others.

Legislative Mandates

Congress provides funds through appropriations and the Commodity Credit Corporation (CCC) for NRCS to provide this technical, planning, and financial assistance to individual, communities and other customers. The programs listed on the following page comprise the core of NRCS conservation assistance. (*see table, page 6-40*)

Partnerships and Coordination

NRCS coordinates with USDA agencies and many others in pursuit of the NRCS mission. Perhaps the most prominent example of this close coordination within USDA is the relationship between NRCS and the Farm Service Agency (FSA). The Conservation Reserve Program (CRP), and the Emergency Conservation Program (ECP) are administered by FSA, while NRCS provides the technical assistance to landowners to accomplish program conservation goals. This relationship will be critical to successful implementation of the nationwide initiative to encourage installation of buffer strips to prevent pollution and protect watersheds.

The number and mix of coordinating agencies varies in response to changing natural resource conditions and emerging strategic initiatives. In research and education NRCS works primarily with the Agricultural Research Service (ARS), Forest Service (FS), Cooperative State Research, Education, and Extension Service (CSREES), U.S. Fish and Wildlife Service (FWS), U.S. Geological Survey (USGS), Bureau of Land Management (BLM), U.S. Army Corps of Engineers (COE), National Oceanic and Atmospheric Administration (NOAA), and the U.S. Environmental Protection Agency (EPA). Major collaborators in data collection and analysis include FS, National Agricultural Statistics Service (NASS), Economic Research Service (ERS), USGS, FWS, EPA, COE, and BLM. Examples include: collaboration with BLM to achieve

NRCS Program	Legislative Mandate
Conservation Operations Conservation Technical Assistance Soil Survey Snow Survey and Water Supply Forecasting Conservation Plant Materials Centers Grazing Lands Conservation Initiative	Soil Conservation and Domestic Allotment Act of 1935 (P.L.74-46) Soil and Water Resources Conservation Act of 1977 (P.L.95-192) Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127)
Watershed Surveys and Planning	Watershed and Flood Prevention Act of 1954 (P.L. 83-566)
Watershed and Flood Prevention Operations Watershed Operations Emergency Watershed Protection Operations Small Watersheds	Flood Control Act of 1944 (P.L. 78-534) Emergency Operations authorizations of 1950 (P.L. 81-516, Sec. 216) Emergency Agricultural Credit Adjustment Act of 1978 (P.L. 95-334, Sec. 403-405) Watershed and Flood Prevention Act of 1954 (P.L.83-566), as amended
Forestry Incentives Program	Cooperative Forestry Assistance Act of 1978 (P.L. 95-313), as amended
Resource Conservation and Development Program	Flood and Agriculture Act of 1962 (P.L.87-703, Sec. 102) Agriculture and Food Act of 1981 (P.L.97-98, Sec. 1528-1538)
Wetlands Reserve Program	Food Security Act of 1985 (P.L.99-198, Sec. 1237) Food, Agriculture, Conservation, and Trade Act (P.L.101-624, Title XVI, Sec. 1438) Omnibus Budget Reconciliation Act of 1993 (P.L.103-66) Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127)
Environmental Quality Incentives Program	Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127)
Farmland Protection Program	Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127, Sec. 388)
Wildlife Habitat Improvement Program	Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127, Sec. 387)
Conservation Farm Option	Federal Agriculture Improvement and Reform Act of 1996 (P.L.104-127, Sec. 335)
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624, Sec. 2501)

the goals of the Surface Mine Control and Reclamation Programs; collaboration with NOAA in the Coastal Zone Management Program; collaboration with EPA in the Chesapeake Bay Agreement, National Estuary Program, and Clean Lakes Program; and coordination with FWS, EPA, and COE in wetland determination and delineation. Memoranda of Understanding also have been signed with EPA for nonpoint source technical cooperation, with CSREES for water quality data and training, and with ARS and USGS for cooperation on water quality research.

For program delivery, NRCS primarily works with FS, Rural Development (RD), FSA, and CSREES. Internationally we cooperate with agencies such as FS, Foreign Agricultural Service (FAS), ARS, and the U.S. Agency for International Development (USAID) and other organizations such as the InterAmerican Development Bank, International Bank for Reconstruction and Development (World Bank), and the Inter-American Institute of Cooperation in Agriculture, among others.

Strategic Planning in NRCS

Assessment and analysis of human and natural resources are the foundation of strategic planning in NRCS. This plan is built on analysis of resource data collected from a number of sources, including:

- Resource analyses and assessments completed as part of strategic planning in each of the six NRCS administrative regions
- NRCS's National Resources Inventory
- Water quality surveys conducted by state water quality agencies
- U.S. Environmental Protection Agency data and analyses
- U.S. Geological Survey data and analyses
- U.S. Census.

Analysis and assessment of these data were drawn from ongoing work under the auspices of the Soil and Water Resources Conservation Act of 1977 and from a special set of core resource assessment and analysis projects undertaken specifically to support strategic planning.

Information from past and ongoing evaluations of conservation programs has also been used extensively in the preparation of this plan. Specifically, evaluations of the Great Plains Conservation Program, the Watershed Protection and Flood Prevention Program, the Conservation Technical Assistance Program, and the Water Quality Program were used to develop this plan.

This plan draws from a number of strategic plans that have been prepared by the agency since the 1970s. Regional strategic plans prepared in each of NRCS's six administrative regions were drawn on heavily to set goals and identify strategic objectives. Other plans include the SCS Framework Plan (1970s), USDA National Conservation Program (1980s) and its update in 1988, two strategic planning initiatives in the 1990s, and a comprehensive customer assessment in 1994-1995.

Finally, NRCS drew heavily on input from our Federal partners, the conservation partnership, state and local agencies, nonprofit and nongovernmental organizations, and agricultural groups, and from consultation with Congress and its supporting agencies. The resulting draft strategic plan then was coordinated with our Federal coordinating agencies. Because of these contributions, the NRCS plan reflects not just an agency perspective, but also that of a much broader network of landowners, communities, agencies, and others concerned about the conservation of the Nation's natural resource base.

Key External Factors

Factors beyond the control of NRCS may strongly influence the ability of the agency and the conservation partnership to meet the conservation goals outlined in this strategic plan. The most influential external factors include: market influences on landuse decisions, state and local landuse and environmental policies, unusual or prolonged adverse climatic conditions, investments in conservation technologies, changing agricultural structure, and financial resources available to the agency.

- With the passage of the 1996 farm bill, U.S. agriculture began a transition from subsidy-oriented to market-driven. As American farmers and ranchers make this transition their management decisions will be strongly influenced by market forces. Variation in commodity prices can cause large shifts in the kind of crops grown as well as in land use (e.g., shifts of land among rangeland, pastureland, and cropland). As land use changes, so do the conservation needs of the land, landowners, and managers. Substantial shifts in land use could trigger unforeseen conservation demands, challenging our ability to achieve our performance targets for natural resource conservation.
- Considerable variation exists in state and local government landuse and environmental policies. Some states have experienced a proliferation of policies and regulation while others have seen little activity. In some cases state and local policies are increasing the complexity of natural resource management and creating a framework within which NRCS conservation objectives must be adjusted to fit state and local priorities. In areas where landuse and environmental policies are lax or lacking, the difficulty in achieving NRCS strategic objectives may be even greater.
- Weather extremes have always posed a challenge to agriculture and conservation. Episodic events such as drought, flooding, etc., can cause substantial damage to soil, water, and related natural resources. If these events occur on a large scale, or are unusually frequent during the next five years, it will be extremely difficult to achieve the conservation improvements envisioned in this plan.
- NRCS depends heavily on other agencies, the land grant institutions, and the private sector for its research and development (R&D) investment in conservation technology in order to keep up with the pace of change in the agricultural sector. If conservation technology R&D does not continue to be responsive to changing environmental and agricultural conditions, the partnership may be poorly equipped to meet emerging needs and achieve NRCS conservation targets identified in this plan.
- Changing agricultural structure poses a continuing challenge to conservation. The geographic shifts in production, the growth of small and large production units and loss of mid-size farms, and the vertical integration of many industries, particularly livestock production, all influence the ability of NRCS to address resource conservation objectives.
- Budget resources available to NRCS to achieve our general goals, strategic objectives, and performance goals can profoundly influence the ability of the agency and partnership to achieve the outlined objectives. If the budget assumptions upon which this plan was based prove too optimistic, then we will not be able to achieve the performance targets outlined in this plan.

Mission

Providing national leadership in a partnership effort to help people conserve, improve, and sustain our natural resources and environment.

NRCS carries out the agency mission through many different programs and in cooperation and coordination with numerous partners. NRCS technical experts help land managers and communities to take a comprehensive approach in planning the use and

protection of soil, water, and related resources on private and other nonfederal land across the Nation. NRCS assistance to private landowners is provided through conservation districts, which are units of local government created by state law. NRCS works in a long-standing partnership with State conservation agencies and other State and local agencies such as Resource Conservation and Development councils and locally elected farmer and rancher committees, Federal agencies, tribal governments, and private sector organizations.

The first step in providing national leadership for conservation is identifying natural resource status, conditions, and trends; and making this information available to landowners and communities to assist in their landuse decision making. Over the past 100 years, USDA has monitored resource condition through soil surveys, conservation needs assessments, and natural resource inventories. These efforts, all based on the best science available at the time, have sought to present an accurate, unbiased look at natural resources.

NRCS also develops conservation standards, specifications, and guidelines to ensure that conservation systems recommended to landowners and communities nationwide are technically sound. These technical standards ensure that conservation is based on sound and up-to-date science. Such technical guides are used not only by NRCS staff, but also by private consultants and engineers, conservation district staff, state agencies, and our Federal partners.

Goals

Achieving conservation—that state of harmony between people and land—requires a partnership among landowners, communities, and the land. That partnership is as varied as the Nation's landscape and as the people who call that local landscape home.

Our strategic plan is built on two goals that reflect that partnership between people and the land. In our first general goal, we make a commitment to provide individuals and communities with the support and help they need to be effective stewards of the natural resources on their property and in their communities. Our second general goal is a commitment to the land—to maintain a healthy and productive land that sustains food and fiber production, and functioning watersheds and natural systems, enhances the environment, and improves urban and rural landscapes.

Although we recognize that breaking conservation into singular objectives and strategies is essential to effective planning, we recognize also that it is artificial. On the ground, where conservation occurs, resources are inextricably linked. Soil resources are linked to water resources, and both are linked with grazing land, wetlands, and wildlife habitat. The real challenge for conservationists is to work with landowners and communities to bring all the pieces together on the landscape to achieve the larger vision of conservation—people in harmony with the land.

Outcomes

Conservation expands the range of products the land can produce. Our contribution to our Nation's well-being is to help diverse groups of farmers, ranchers, landowners, and communities produce the full range of products of the land. By achieving our goals and objectives, we will contribute to three broad national outcomes:

- Sustainable, productive, and prosperous farms, ranches, and communities;
- Healthy people; and a
- Healthy natural environment.

NRCS's unique contribution to these national outcomes is to work with people and the land to sustain and enhance the natural resources and partnerships on which agriculture, communities, and our environment depend.

Goal 1

Individuals and their neighbors working together as effective and willing stewards of the natural resources on their property and in their communities.

The opportunities to support and enhance stewardship of America's private land are many and varied. Millions of farmers and ranchers and other landowners are already effective stewards of their land. Communities across the Nation are organized to address their local natural resource concerns and develop locally suitable approaches for solving problems.

An ethic of stewardship by itself, however, is not enough. This ethic must be supported by knowledge of the land and how to work with the land—science and technology that can help us to understand the dynamics of the environment and the connections among environmental quality, economic prosperity, and quality of life, and how to apply the best possible management on the land. Our strategic plan lays out three strategic objectives to support stewardship by individuals and communities. Through our work we will seek to achieve: 1) a strong and effective grassroots partnership across the Nation; 2) a diverse and well-served customer base; and 3) a landscape of landowners and communities with the science-based conservation information and technologies they need to manage their land.

This goal and its objectives support USDA's goal 1.3—Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm, ranch, and rural residents; and goal 3.1—Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base. In addition, many of the Strategies identified under this goal support USDA's Management Initiatives, including: ensuring that all customers and employees are treated fairly and equitably, with dignity and respect; improving customer service by streamlining and restructuring county offices; creating a unified system of information technology management; and promoting volunteerism.

■ Objective 1.1

A strong and effective grassroots conservation partnership across the United States and its territories, commonwealths, and affiliated governments.

NRCS partners with many governmental agencies, private sector entities, and grassroots organizations to pursue conservation goals. The nearly 12,000 NRCS employees and 8,000 district or state conservation agency staff work together in a unique Federal-local partnership in over 2,500 Service Centers across the United States. Authorized Resource Conservation and Development councils (RC&D) number 290 and cover at least 60 percent of the U.S. landscape. These Councils provide leadership and coordination for a wide variety of natural resource and community development projects. NRCS also works with agricultural producer groups, conservation groups, industry, and businesses across the country.

Time Frame for Completion

Strengthening the conservation partnership is a continuing process strongly influenced by changing agricultural structure and the needs of our customer base.

Strategies for Achieving the Objective

- Increase training of field staff and partners. Strengthening the conservation partnership depends on maintaining a cadre of highly skilled technical staff capable of meeting landowner and community requests for conservation assistance. Accelerated training of field staff and partners is essential to meet the growing complexity of the conservation challenge and to stay current with rapidly changing science and technologies.
- Broaden and strengthen the conservation partnership. Meeting an increasingly complex conservation challenge requires new and broader partnerships to ensure that enough funding and the right technical expertise is available to solve problems. NRCS's customers and partners are growing more diverse, creating demands for new products and services. Broadening the partnership to include new public and private entities, with particular emphasis on minority- and women-owned business participation, will be essential.
- Help to achieve consensus in the locally led process through sound science, sensible economics, appropriate technology, and current information. NRCS will provide the natural resource data and assessment for landowners, conservation districts, and other institutions and communities, which forms the basis of locally led conservation assistance. NRCS will work through the locally led process to bring people together in a shared vision for their land and their communities and to leverage the interests *and* resources of these varied groups to work for conservation.

Performance Measures

- A strong and effective grassroots conservation partnership will increase public awareness of the need for and benefits of conservation. Ways to measure that NRCS is helping to strengthen and support the conservation partnership are: 1) to measure meaningful, field-based training of NRCS conservation assistance staff that improves their ability to support the partnership and customers in conservation planning; and 2) to measure the increase in contributions to conservation efforts leveraged by the conservation partnership that reflects the commitment and strength of that partnership.

Baseline The National Employee Development Center is constructing an adequate baseline and tracking system.

Target By 1999, field staff who deliver conservation assistance to landowners and communities will be receiving 2 weeks of field-based training each year to improve technical excellence in conservation planning and resource assessment.

Baseline The Conservation Operations Division, Conservation Technical Assistance Team are constructing an adequate baseline and tracking system capable of aggregating internal data and including private, nongovernmental contributions.

Target By 2002, the financial and "in-kind" contributions made to conservation—and leveraged through NRCS programs—by other Federal, state, local, and nongovernmental entities will have doubled from 1992 levels.

■ Objective 1.2

A diverse and well-served customer base across the United States and its territories, commonwealths, and affiliated governments.

NRCS and our partners will have to maintain a diverse and satisfied customer base to achieve goals for conservation and environmental quality. This means improving service to traditional customers while reaching out to nontraditional and underserved customers. It also means understanding customers' values, needs, and attitudes.

Modern agriculture is remarkably diverse in terms of geographic, enterprise, economic, and technological attributes. Enterprises vary widely in size, production practices, level of modernization, commodities produced, and employment. There are growing numbers of large and small farms and declining numbers of mid-size farms. Of special concern are the Nation's nearly 44,000 minority-owned farms and ranches, where declines in numbers have been disproportionate. The majority of these farms are small—in size and sales class—and are concentrated in the West, Southeast, and East.

Time Frame for Completion

Ensuring high-quality conservation assistance, responsiveness to customer needs, and a diverse customer base is a continuing process and is influenced strongly by the changing structure of agriculture and the Nation's environmental agenda.

Strategies for Achieving the Objective

- Increase assistance delivery to socially disadvantaged, minority, and women customers: Significant steps will be taken to improve service to these customers, including developing outreach strategies and ensuring their implementation; increasing representation of these customers on conservation district boards and RC&D councils; developing information and technologies tailored to the needs of these customers; ensuring that Service Centers are situated to improve access to assistance for these customers and where Centers are not easily accessible, develop innovative service approaches (e.g., mobile offices, non-traditional hours of operation); and developing a mechanism to track improving service.
- Improve the quality of conservation assistance delivered to all customers: Providing quality conservation assistance to our customers requires understanding their conservation needs and providing the technology necessary to keep them competitive while achieving conservation goals for the Nation. NRCS will accelerate outreach to underserved and nontraditional customers, maintain commitment to one-on-one conservation assistance delivery, and develop strategies to increase field staff time available to assist customers.

Performance Measures

- The conservation customer base is becoming increasingly diversified as are their conservation assistance needs, yet we know that many potential customers have not yet been reached. Ways to measure how well NRCS is performing in meeting customer needs effectively and also reaching out to a broader customer base are: 1) to measure customer satisfaction with the products and services provided by NRCS, and 2) to measure the increase in the numbers of previously under-served groups receiving conservation assistance.

Baseline A Gallup Poll survey in 1995 indicated that 83 percent of customers were satisfied or highly satisfied with NRCS products and services. The Operations Management and Oversight Division is designing a valid customer survey system.

- Target** By 2000, 90 percent of all NRCS customers will be satisfied or highly satisfied with NRCS products and services.
- Baseline** Data are collected in various formats at the program level but are not aggregated nationally. The Civil Rights Divisions are leading the effort to develop an adequate baseline and design and implement a reliable tracking system.
- Target** By 1999, we will double the numbers of socially disadvantaged and minority customers receiving conservation assistance from 1992 levels.

■ Objective 1.3

Private landowners and communities with the science-based information and technologies they need to conserve natural resources.

Effective stewardship depends on having the right science-based information and technology tools. Creating this information and developing these tools require a substantial investment in natural resource inventory and assessment. But data collection, monitoring, and assessment are only part of the conservation equation. Translating this information into conservation technology, technical guides, and performance standards is the backbone of NRCS. These technical works provide a measure of quality control and conservation consistency across the Nation.

NRCS faces a continuous challenge to provide current, science-based conservation information and conservation technologies. Scientific and technological progress is essential to keeping up with customer needs. NRCS has answered this challenge by improving conservation information and technology innovation, quality, and access.

Time Frame for Completion

Providing landowners and communities with science-based information and technologies needed to support conservation is an continuous process strongly influenced by changes in science and technology, market signals, environmental trends, and national agricultural and environmental policy.

Strategies for Achieving the Objective

- Develop information and technologies to support conservation: Agricultural production and natural resource conservation relationships are dynamic and technology is challenged to respond to market forces and public demand for a healthy environment. NRCS will develop the conservation tools and information needed to support conservation planning and practices, conservation guidelines and standards, and standard resource assessment and monitoring protocols for evaluating progress.
- Strengthen and expand natural resource assessment capability: NRCS must be prepared to work with a much more complex conservation agenda. Providing quality information and assistance on a broad realm of natural resource issues, such as water quality, air quality, biodiversity, and global climate change, among others requires strong natural resource assessment capabilities. NRCS will improve systems to monitor natural resources status and conditions, and improve assessment of the potential impacts of these trends on sustainability of agricultural production and natural resource quality.

- Strengthen the agency's technical service delivery through science-based, state-of-the-art technology: The Internet, precision farming, and geographic information systems gradually will become standard tools for producers and conservationists. The commitment to science-based technology delivery will require constant technical innovation and training for NRCS staff, and abilities to anticipate and develop technologies and conservation systems to address agriculture's contribution to emerging natural resource concerns, particularly air quality, global climate change, and biodiversity.

Performance Measures

- Landowners and communities can make effective conservation decisions when they have the information and tools they need to make informed decisions. Ways to measure that NRCS is improving the availability and accessibility of science-based information and technologies for conservation are: 1) to measure the increase in availability of geospatial interpretations of soil survey information to support conservation planning, and 2) to measure the development and implementation of resource health indicators and improved ability to monitor and assess resource status, conditions, and trends.

Baseline As of August 1997, 590 of the estimated 2400 soil surveys for non-federal land needing digitization were in progress or completed and available through electronic sources to staff, the conservation partnership, and customers.

Target By 2002, geospatial interpretations of soil survey information for all nonfederal land in the United States and its territories, commonwealths, and affiliated governments will be easily accessible to our customers, partners, and the general public.

Baseline The Resource Assessment and Strategic Planning Division is leading the effort to develop an integrated set of resource health indicators, an adequate baseline, and reliable tracking system. Development of accepted health indicators is ongoing.

Target By 2000, resource assessment tools and data collection systems will be in place to monitor and assess changes in soil quality, grazing land health, wetland functions, and watershed health.

Goal 2

A healthy and productive land that sustains food and fiber production, sustains functioning watersheds and natural systems, enhances the environment, and improves urban and rural landscapes

Conservation of a healthy land begins with conserving the quality and productivity of the soils. Soils are a basic natural resource. The soil is a living system that supplies plants with a medium in which to grow and buildings with the support they need to stand. Soils filter water to make it drinkable, fishable, and swimmable. They store water and capture and store carbon from the air. Soil management and conservation to improve the quality of soil resources will be the foundation of every conservation system or plan that NRCS recommends to individuals or communities.

Soil conservation is fundamental to achieving a healthy land, but soil conservation alone is not enough. Effective conservation depends on an integrated approach to manage natural resources soil, water, air, plants and animals and their interactions.

These natural resources are the building blocks from which a healthy land is constructed. Our strategic plan lays out five strategic objectives to improve the critical components of a healthy land. Through our work we will seek to achieve marked improvements in: 1) cropland productivity and quality, 2) water quality and quantity, 3) grazing land health, 4) wetlands function, and 5) fish and wildlife habitat on agricultural land.

This goal and its objectives support USDA's goal 3.1—Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base; and goal 3.2—Promote sustainable management of public lands; protect and restore critical forest land, rangeland, wilderness, and aquatic ecosystems. The health and condition of privately owned land that borders public land will profoundly influence the health of that public land. Thus, while NRCS works on private land, its activities support the efforts of agencies with responsibility for public land. Similarly, many of the wildlife resources associated with public land management efforts depend largely, or at least in part, on the quality of habitat on private land or the presence of biological corridors to maintain healthy populations.

■ Objective 2.1

Healthy and productive cropland sustaining U.S. agriculture and the environment.

The rate of soil erosion is the single best indicator for which we have data to estimate whether soils are improving, stable, or degrading. Considerable progress has been made in reducing soil erosion on cultivated cropland, however the job is far from finished. Sheet, rill, and wind erosion continue to be problems on highly erodible and non-highly erodible cropland. Irrigation-induced erosion and ephemeral gully erosion are increasingly recognized as significant factors in overall erosion rates.

Soil erosion is not the only cause of reduced soil quality. We now understand that the quality of the Nation's soil also is degraded by declines in organic-matter content, reduced diversity and activity of soil microorganisms, compaction, salinization, acidification, alkalinity, nutrient depletion, and chemical or heavy metal contamination.

Time Frame for Completion

Maintaining healthy and productive cropland capable of sustaining a productive U.S. agriculture and the environment is a continuing process challenged by changing environmental conditions, producer response to market factors, and environmental and agricultural policy.

Strategies for Achieving the Objective

- Promote conservation planning and management approaches that improve soil quality: Improving soil quality is essential to meeting our goals for a healthy land. NRCS will take a comprehensive approach to conservation planning to improve soil quality, including developing a soil quality index; emphasizing conservation systems and practices that improve multiple soil factors; and improving soils interpretations, erosion prediction, and soil quality assessment tools.
- Intensify soil conservation on non-highly erodible cropland: Attention to the conservation needs through USDA programs of some of the Nation's best land has slipped. In many cases conservation needs on non-highly erodible cropland

are even greater than on highly erodible cropland. Conservation assistance is needed on non-HEL land not just to address soil erosion but also to contribute to meeting broader environmental goals such as water quality (e.g., pollution prevention, nonpoint source reduction) air quality (e.g., visibility), and wildlife protection (e.g., threatened and endangered species habitat), among others. NRCS will increase conservation technical assistance on non-highly erodible cropland and emphasize soil conservation practices that do not require financial assistance to producers.

- Facilitate transitions to sustainable systems on the most highly erodible cropland: By 1992, erosion on about 42 million acres—almost 40 percent of the highly erodible cropland—had been reduced to below the soil loss tolerance level. This remarkable progress needs to be sustained through continuing assistance to producers as they update and revise conservation compliance plans. NRCS will provide technical and financial assistance to producers who have achieved their compliance goals and are interested in making further conservation improvements. For some producers, alternatives to crop production—such as intensive rotational grazing, timber production, and enrollment in CRP—may be better options for their farm operations and for the Nation's soil resource.

Performance Measures

- Healthy cropland supports a substantial part of our Nation's agricultural economy. Ways to measure that NRCS is contributing to the health of our Nation's cropland are: 1) to measure the decrease in the amount of cropland acreage that is eroding at unsustainable rates as determined by the soil loss tolerance (T) level for that land, and 2) to measure an increase in the cropland acreage that NRCS helps landowners place under conservation systems designed to improve soil quality.

Baseline In 1992, 67.9 million acres of non-highly erodible cropland were eroding above the soil loss tolerance rate (T).

Target By 2002, the acreage of non-highly erodible cropland eroding above T will be cut by one-third from 1992 levels.

Baseline In 1992, 44.9 million acres of highly erodible cropland was eroding above 2T.

Target By 2002, the acreage of highly erodible cropland eroding above 2T will be cut by one-third from 1992 levels.

Baseline The Resource Assessment and Strategic Planning Division is leading the effort to develop an adequate baseline and tracking system.

Target By 2002, 50 percent of U.S. cropland will be managed with conservation systems that enhance soil quality.

■ **Objective 2.2**

Healthy watersheds providing clean and abundant water supplies for people and the environment.

Water quality and quantity issues are closely linked. Actions that reduce water quantity can adversely affect water quality, just as poor water quality can reduce the amount of water available to support desired or beneficial uses. Water resource management is built on a foundation of effective soil conservation and management. But good soil conservation alone is not enough to ensure that adequate supplies of clean water are available to support people, communities, agriculture, and the environment.

Careful management of watersheds—the land that captures, stores, and supplies water to streams, lakes, rivers, reservoirs, and aquifers—is essential to ensure sufficient supplies of high-quality water.

Substantial progress has been made in preventing pollution and improving water quality. Land use and management practices exist that reduce the potential for runoff and erosion; increase the capacity to trap or degrade potential pollutants; improve the stability of stream banks and shorelines; and increase the amount of precipitation that is captured and stored for use in the future. Nevertheless, water resource management is certain to be a growing concern for agriculture and communities.

The 1994 National Water Quality Inventory, a biannual compilation of data from states and American Indian tribes, reported that about one-third of the water resources inventoried suffered from use impairment, and that agriculture was the leading cause of impairments. Competing demands for water among municipal, industrial, agricultural, and instream uses (e.g., recreation, endangered species habitat) increasingly press upon limited and seasonally variable water supplies. Groundwater overdrafting has been reported nationwide in states with irrigated land. While irrigators have reduced water application rates, the loss of sediments, salts, nutrients, and pesticides from irrigated fields cause water quality problems in some regions, particularly the West.

Time Frame for Completion

Conserving and enhancing watersheds, water supplies, and water quality is a continuing process challenged by changes in land use, market influences, and environmental conditions.

Strategies for Achieving the Objective

- Promote conservation management and planning approaches that prevent water quality impairment: Agriculture has a high potential to contribute sediment, nutrients, pesticides, salts, and other potential pollutants to water bodies, impairing water quality in some watersheds. Yet, just as agriculture has potential to degrade water resources, it also has potential to improve water resources. NRCS will assist individuals and communities to prevent water quality and water supply problems by: maintaining a strong core conservation presence; developing national initiatives to address resource concerns with high potential to impair water quality or supply; and strengthening resource inventory and monitoring capacity to predict the effects of land use or management changes on water quality and water supply.
- Work with our partners to complete a comprehensive water resource needs assessment: Our ability to plan strategically to achieve water resource goals is seriously hampered by the lack of comprehensive information on water quality and supply problems. There is no single, comprehensive inventory of watersheds that outlines the scope and severity of water resource problems confronting landowners and communities. NRCS will work with partners at local, state, regional, and national levels to construct a better picture of the water resource challenges facing landowners, communities, agriculture, and conservationists.
- Provide coordinated assistance to watersheds in need of conservation: NRCS will address national water resource priorities by acting locally and will use a coordinated watershed approach, to deliver resource assessment, planning, technical, and financial assistance to high-priority watersheds. Priority watershed projects will focus on source water protection, helping communities meet Safe Drinking Water Act and Federal Water Pollution Control Act objectives, and contributing to the protection of nationally significant water resources such

as the Gulf of Mexico, Columbia River, Chesapeake Bay, Great Lakes, and Colorado River, among others. The watershed approach will integrate water supply and water quality concerns and will bring together all stakeholders to leverage their interests and resources and to set common goals and develop common strategies for water resource conservation and management.

Performance Measures

- Healthy watersheds are fundamental to supporting communities, individuals, and the environment and the economic activities dependent on these components. Ways to measure that NRCS is contributing to improving water resources are: 1) to measure the completion of watershed projects that address the water quality and conservation problems of communities and produce real benefits in water quality and supply, and 2) to measure the installation of conservation buffer strips that further protect watersheds and water supplies.

Baseline Data are collected at the program level. The Conservation Operations Division is leading the effort to construct an adequate baseline and develop a reliable tracking system.

Target By 2002, NRCS and our partners will be completing 100 priority watershed projects each year that meet the goals set by local communities for water supply, water quality, or flood protection.

Baseline Data are collected at the program level. The Conservation Operations Division is leading the effort to construct an adequate baseline and develop a reliable tracking system.

Target By 2002, we will have helped landowners and communities establish 2 million miles of buffer strips to protect watersheds and water supplies.

■ Objective 2.3

Healthy and productive grazing land sustaining U.S. agriculture and the environment.

Nonfederal, privately owned grazing land—pasture and rangeland—is found in every state and territory, but the kind, amount, productivity, use, products, and value of grazing land varies greatly from place to place. More than 1 million farms and ranches, over half the farms and ranches in the United States, have grazing land on which livestock production is the major use. Grazing land makes up almost 40 percent of all private land in the United States and provides important habitat—food, water, and cover—for wildlife. Most of the Nation's wildlife spend part or all of their lives on grazing land.

Grazing land also is an important watershed component. Vast amounts of precipitation fall on these lands each year. On well-managed grazing land, much of this water infiltrates into the soil and is used for plant growth, is stored in underground aquifers, or flows through the soil to replenish streams, riparian areas, wetlands, underground aquifers, and lakes. People use this water for agricultural, domestic, and industrial purposes. On poorly managed grazing land, however, precipitation runs off rapidly and soil moisture for grazing land plants is decreased, soil erosion is increased, and nutrients and sediment are washed into streams and lakes, damaging valuable habitat and increasing the cost of water storage and treatment.

Time Frame for Completion

Conserving and enhancing grazing land is a continuing process challenged by market forces that create land use shifts, the state of conservation technology, and environmental conditions.

Strategies for Achieving the Objective

- Promote conservation management and planning approaches that prevent grazing land damage and fully examine opportunities to diversify business operations: Proven, well-understood, and economically viable grazing management systems exist that can meet most of the conservation needs of grazing land. In many cases, technical assistance to help landowners and land managers develop and implement improved grazing management is all that is needed to solve resource problems, improve or maintain grazing land health, and take advantage of opportunities to diversify enterprises. NRCS will increase grazing management technical assistance available to landowners, strengthen inventory and assessment capabilities at the field level, and develop and implement grazing land health indicators for rangeland and pastureland for use in resource assessment and inventory, conservation planning, and performance measurement.
- Assist landowners and communities to implement economically and environmentally sound grazing land reclamation efforts: Reclamation is required when severe degradation has occurred, but due to cost it is practical only on grazing lands that produce large economic returns to the landowner, or if the public is willing to share the cost of reclamation. NRCS will identify areas where reclamation is needed to enhance the condition of public resources, and assist landowners in planning and implementing economically and environmentally sound grazing land reclamation practices.
- Help producers implement cooperative, regional approaches to grazing land conservation: Some grazing land management problems cannot be solved by individuals working alone. Preventing the advance of an invasive noxious weed, for example, requires the full participation and cooperation of local landowners. NRCS will assist landowners and local communities in learning to identify such threats to grazing land health, develop area-wide plans to address these problems, and strengthen resource inventory and assessment to support effective group action.

Performance Measures

- Healthy grazing land supports a substantial part of the Nation's agricultural economy and plays an enormous role in protecting environmental quality. Ways to measure that NRCS is contributing to improving grazing land quality are: 1) to measure increases in grazing land acreage that no longer shows sign of serious ecological or management problems, and 2) to measure increases in the rangeland acreage with streams where no serious streambank erosion is occurring.

Baseline	In 1992, 39 percent of U.S. rangeland showed no evidence of serious ecological or management problems.
Target	By 2002, 45 percent of U.S. rangeland will have no serious ecological or management problems.
Baseline	In 1992, 54 percent of U.S. permanent pastureland showed no evidence of serious ecological or management problems.
Target	By 2002, 60 percent of U.S. permanent pastureland will have no serious ecological or management problems.

- Baseline** In 1992, 59 percent of rangeland acreage with streams showed no evidence of serious streambank erosion.
- Target** By 2002, 65 percent of rangeland acreage with streams will have no serious streambank erosion taking place.

■ Objective 2.4

Healthy and productive wetlands sustaining watersheds and wildlife.

Wetlands are among the richest and most productive habitats on Earth, although they comprise a minor part of the landscape—only about 5 percent of the total land mass of the United States. Nonetheless, they provide disproportionate benefits, including:

- Natural pollution control by filtering out sediment and other pollutants.
- Natural flood control by storing precipitation and runoff.
- Recharge of groundwater.
- Critical habitat for fish and wildlife.

There are two broad ecological classes of wetlands—estuarine and palustrine. The estuarine system includes salt and brackish tidal marshes, mangrove swamps, and intertidal flats. Palustrine wetlands comprise the vast majority of wetlands, some 105 million acres, including inland marshes, bogs, swamps, and vernal pools. About 86 million palustrine wetland acres occur on private land, including forest land.

Approximately one-eighth of these wetlands are farmed or are small, temporary or seasonal wetlands that are often associated with agriculture.

Wetlands on agricultural land include some of the most important wetland habitats in North America. Wetland losses due to agriculture in some regions have been so extensive that only a small fraction of the original wetlands remain today. Of the original 24 million acres of seasonally flooded bottomland hardwood forest, only 3 million acres remain today. In some highly agricultural states the effects are even more dramatic. Iowa has lost approximately 90 percent of its original wetlands, practically all to agriculture.

Time Frame for Completion

Conserving and restoring wetlands on agricultural land is an ongoing process challenged by market forces affecting landuse decisions and environmental conditions.

Strategies for Achieving the Objective

- Provide coordinated assistance to areas in need of wetland conservation: Strategically located concentrations of wetlands and associated habitats are needed to support the most important economic and ecological values of wetlands, which may range from water storage and flood control or natural filter systems to wildlife habitat. Complexes of wetlands, for example, are needed to provide flood storage for rivers, such as the Missouri River, or to provide nesting, brood rearing, migratory, and wintering habitat for migratory waterfowl. NRCS will coordinate with its partners, other agencies, and groups to identify geographic areas with the greatest need and potential for wetland conservation; and identify opportunities to integrate wetland conservation with water quality, flood prevention, grazing land, and other conservation objectives at the national, state, and local level.
- Implement a training and outreach initiative to promote NRCS staff, partner, landowner, and community understanding of wetlands functions: Understanding of and appreciation for wetlands is essential to conservation of wetlands on

private land. A 1994 survey of NRCS district conservationists revealed a significant lack of information on and understanding of wetland functions and values. NRCS will accelerate training and outreach to staff to increase knowledge and appreciation of wetlands and help them better pass that information to partners, landowners, and communities; increase science-based resource information, wetlands data, and interpretive assistance to landowners, units of government, organizations, and other decision makers; and fully integrate economic and financial factors with ecological factors in targeting wetland conservation programs.

- Provide assistance to landowners and communities to restore, enhance, and protect wetlands on private land: New restoration and enhancement methods are available that make it easier to integrate wetland conservation into agricultural operations. Prompt incorporation of new wetland technology into agency programs is critical in order to maintain program credibility as well as increase field utility and provide high-quality services to producers. NRCS will develop, adapt, and disseminate science-based techniques for field application of wetland conservation technologies; identify farming and ranching systems that allow use of wetlands while maintaining wetland functions and values; and integrate farm bill programs with other governmental and nongovernmental programs to conserve wetlands.
- Streamline wetland delineation and regulations: NRCS is now the lead Federal agency for wetland delineation on agricultural land. Consistent and accurate wetland determination and delineation are essential to help landowners make better landuse management decisions. NRCS will ensure high-quality interpretation and application of wetland identification criteria, provide technical assistance and guidance to evaluate wetland conservation options, and develop and implement standard, scientifically based methods to quantify wetland functions to help determine mitigation needs and minimal effects.
- Conduct timely assessments of wetland status and trends: Up-to-date, accurate information on wetland gains and losses is essential to guide wetland conservation. NRCS will provide current wetland status and trend information, work with partners to develop a comprehensive monitoring system, and develop monitoring protocols to assess changes in wetland health.

Performance Measures

- Healthy wetlands provide benefits for water supply, quality, and management; and wildlife populations, among others. A way to measure that NRCS is contributing to the conservation of the Nation's wetlands resource is to measure a net increase in wetland functions on agricultural land.

Baseline In 1992, 25.1 million acres of wetlands existed on agricultural land. The Resource Assessment and Strategic Planning Division is leading the effort to develop a wetlands loss/gain tracking system and to establish an adequate baseline.

Target By 2000, we will have helped landowners and communities increase wetland functions on agricultural land.

■ Objective 2.5

High-quality habitat on private land supporting the Nation's wildlife heritage.

Agriculture has had a substantial impact on the distribution and abundance of fish and wildlife populations. But just as agriculture has been a significant factor in many wildlife declines, it also can be a major factor in restoring wildlife populations. At least 80 percent of our native threatened and endangered species depend on habitat on privately owned land for survival, primarily agricultural land. Soil and water conservation has been and will continue to be the foundation of NRCS assistance to landowners and communities. Achieving the targets for soil and water resources, grazing land, and wetlands will produce parallel improvements in fish and wildlife habitat as well.

The challenge to wildlife conservation in agricultural landscapes is that many practices sufficient to conserve soil or improve water quality are inadequate for creating, restoring, or maintaining habitat. Quality and quantity of habitat also are significant issues, as the needs of certain species are greater than others. Assisting landowners and communities increase habitat for species of concern, such as threatened and endangered species, can be promoted through the locally led process that brings the interests and resources of all interested parties to the table for habitat conservation. NRCS will pursue two primary strategies to contribute to wildlife conservation: 1) Integrate fish and wildlife habitat concerns into ongoing and new conservation initiatives, and 2) Build strong partnerships to increase wildlife conservation expertise and leverage wildlife conservation assistance to landowners and communities.

Time Frame for Completion

Conserving and enhancing wildlife habitat on privately owned land is a continuing process influenced largely by landuse decisions and market forces.

Strategies for Achieving the Objective

- Integrate habitat concerns into soil and water conservation systems: The beneficial effect of traditional soil and water conservation systems on fish and wildlife habitat can be enhanced by incorporating habitat concerns into the design and management of those systems. NRCS will identify opportunities to build fish and wildlife habitat restoration conservation assistance into the conservation systems by integrating wildlife habitat assessments into conservation planning; concentrating NRCS technical assistance to improve wetlands and associated habitat, riparian areas, and grassland habitat; and increasing staff knowledge of habitat restoration.
- Build strong partnerships to increase wildlife conservation expertise and leverage wildlife conservation assistance to landowners and communities: Wildlife conservation demands skills that NRCS does not presently have, and that likely will never be part of NRCS's core expertise. NRCS will develop strong partnerships with governmental and nongovernmental organizations to ensure that landowners and communities have access to wildlife conservation assistance. Primary Federal partners include the Forest Service, U.S. Fish and Wildlife Service, and National Marine Fisheries Service; and NRCS will work to develop partnerships with state fish and wildlife agencies and nongovernmental organizations. Working through State Technical Committees, NRCS will bring together Federal, state, and local governmental and nongovernmental programs and resources to strengthen wildlife conservation on private land and leverage stakeholder interests and resources through the locally led process.

Performance Measures

- High-quality habitat on private land is essential to the conservation of our Nation's wild heritage. Ways to measure that NRCS is contributing to improving the extent and quality of this habitat are: 1) to measure an increase in native grassland acreage, which is an essential habitat type for many species of current concern, and 2) to measure an increase in restored riparian habitat that provides the biological corridors and habitat richness critical to the survival of much of America's wildlife.

Baseline As of the 12th CRP sign-up, 8.5 million acres have been converted to native grassland and prairie in the Midwest and Great Plains. The Conservation Operations Division is leading the effort to construct an improved baseline and design a reliable tracking system.

Target By 2002, 20 million acres of cropland or pastureland will be converted to native grassland vegetation in the Midwest and the Great Plains.

Baseline As of the 13th CRP sign-up, 86.8 thousand acres have been placed in filter strips or riparian buffers. The Conservation Operations Division is leading the effort to construct an improved baseline and design a reliable tracking system.

Target By 2002, riparian habitat along 600 miles of rivers, streams, lakes, or wetlands will be restored.

Management Initiatives

Some program objectives described in this strategic plan are supported by management initiatives, such as training, investment in information and communication technologies, and procedure streamlining. These inputs are embedded in strategies and are discussed only with regard to their contribution to the associated task and strategic objective. These management initiatives ultimately support each of NRCS's goals and strategic objectives, but relate most directly to Goal 1—Individuals and their neighbors working together as effective and willing stewards of the natural resources on their property and in their communities. In addition, these initiatives also support the Department Management Initiatives of ensuring that customers and employees are treated fairly and equitably with dignity and respect, improving customer service, and creating a unified system of information technology management. Specific management initiatives that have been incorporated in this plan include:

- Increase training of field staff and partners — NRCS's strength is its employees, and its success depends primarily upon their skills, expertise, and knowledge. Technical excellence is the foundation of NRCS. Maintaining technical excellence is growing more difficult as the pace of technological change increases, and as the conservation agenda expands. Similarly, new skills will be needed to make the most effective use of the new information technology environment that will characterize the workplace of the future.
- Increase assistance delivery to socially disadvantaged and minority customers— Enhancing delivery to under-served and nontraditional customers will require an investment in new methods of organizing and delivering conservation information, training of employees, and developing methods to survey these new customers and identify their conservation needs.
- Increasing efficiency—NRCS will strive to increase efficiency by streamlining processes; targeting priority areas; and enhancing the quality, accessibility, and speed with which we provide natural resource data, assessment, and analyses to our customers. NRCS recognizes that it cannot provide all the needed conservation

expertise alone. Similarly, NRCS's niche will, and should, vary from region to region and state to state. The agency will need to strengthen its partnerships with governmental and non-governmental organizations and industry to ensure that the complete range of conservation expertise is available to landowners, users, and managers who make natural resource decisions. Integrating USDA programs with those of other Federal, state, local, and nongovernmental programs and industry initiatives will be a key to conservation success.

- Strengthen and expand natural resource assessment capability — Improving natural resource assessment capability will require an investment in new technology, human resources, and data sharing. NRCS will work closely with FS, FSA, NASS, ERS, ARS, NOAA, BLM, EPA, USGS, FWS, and others in data collection and assessment activities to develop common protocol and terminology and to merge agency efforts where possible in order to enhance the usability and deliverability of natural resource data and information. NRCS also must work to stay at the forefront of conservation technologies. NRCS will focus its scientific and technical development to ensure excellence in five core conservation sciences and technologies, including: Soil and natural resource inventory and assessment, Soil conservation and management, Water conservation and management, Grazing land management, and Bioengineering (use of plant materials for engineering practices).
- Strengthen the agency's technical service delivery through science-based, state-of-the-art technology — NRCS is implementing a planned approach to support the increased use of networked communications, data sharing and exchange, and geospatial processing tools by field staff. The "field-level" Information Technology environment envisioned by the Futures Directions Taskforce will require new and more abundant skills in telecommunications and data management and administration. To support increased use of remote data and information, NRCS needs to substantially improve its capacity to generate and transfer information throughout the agency and to its customers; enhance the capacity of field offices to use geographic information systems to support conservation planning and technical assistance; and provide our staff and our customers easy access to soil and natural resource information via the Internet and other emerging information systems. Currently, three percent of all NRCS offices are fully networked. By the end of 1998, a fully networked system for communication and data transfer will be in place in all NRCS locations.
- Increase accessibility — Through the Field Service Center concept, NRCS, district, and state conservation staff are co-located in some 2,500 centers across the Nation to increase efficiency by fostering coordination among partners and facilitating customer access to information and assistance.
- Ensure customers and employees are treated fairly and equitably — Our managers at all levels will be held accountable for the delivery of services to our customers on a non-discriminatory basis. We will respect the dignity and worth of every person we serve; deal with each of them honestly and fairly; listen to their views and respond with advice that is tailored to their needs and is technically accurate; and measure our efforts against the highest standards. Our managers will also be held accountable for civil rights and workforce diversity within NRCS. NRCS employees are its strength. Success in achieving the Agency's mission depends on employee skill, expertise, and knowledge. We are committed to providing all employees with a work environment where they are respected, valued, and supported.

To ensure that our programs are delivered efficiently and effectively through our field delivery system and to take advantage of opportunities for streamlining, NRCS will participate with the Offices of the Assistant Secretary for Administration and the Chief Information Officer as we implement the Administrative Convergence initiative. This initiative will consolidate the administrative resources and functions (financial management, human resources management, property and contracting, civil rights, and information resources management) both nationally and at the state level for the Farm and Foreign Agricultural Services and Rural Development mission areas and for all levels of NRCS.

Linkage of Goals to Annual Performance Plan

Performance measurement and planning for natural resource conservation involve:

- Setting annual goals for implementing the Strategies called for in the strategic plan;
- Tracking each year's progress in implementing those Strategies;
- Estimating each year's contribution toward achieving performance targets and strategic objectives;
- Conducting periodic surveys, inventories, and assessments to measure progress toward performance targets and strategic objectives; and
- Conducting periodic evaluations of the performance of conservation programs.

Goal 1, Individuals and their Neighbors Working Together as Effective and Willing Stewards of the Natural Resources on their Property and in their Communities, and Goal 2, Healthy and Productive Land that Sustains Food and Fiber Production, Sustains Functioning Watersheds and Natural Systems, Enhances the Environment, and Improves Urban and Rural Landscapes are linked to the following NRCS budget program activities: America's Private Land Conservation, Soil Survey, Snow Survey and Water Supply Forecasting, Plant Materials, Watershed Planning and Surveys, Watershed and Flood Prevention Operations, Resources Conservation & Development, Forestry Incentives Program, Outreach and Assistance for Socially Disadvantaged Farmers & Ranchers, Wetlands Reserve Program, Environmental Quality Incentives Program, Farmland Protection Program, Wildlife Habitat Incentives Program, and Conservation Farm Option. The Goals are also linked to the following Farm Service Agency's budget program activities, Conservation Reserve Program, Flood Risk Reduction Program, Agriculture Market Transition Act Contracts, and Emergency Conservation Program.

Annual Performance Plans and Reports

The annual performance plan provides the link to general goals, strategic objectives, performance targets, and strategies in the strategic plan, and outlines annual performance goals and additional supporting tasks that are needed to implement agency strategies and achieve agency performance targets. The annual performance plans and reports serve as the basic management tools to direct the use of resources to implement strategies and identify programs to be used to achieve general goals, strategic objectives, and performance targets. Plans also include estimated staff years and program costs required to achieve annual performance goals.

The majority of the multi-year performance targets for natural resources outlined in this strategic plan establish acre goals for specific improvements in resource condition. For each objective and target, annual performance goals and measures have been defined and are described in the Annual Performance Plan. Annual performance measures and goals are based on the overall change needed to achieve the performance

target described in the strategic plan. For example, Goal 2, Objective 1—Healthy and productive cropland identifies 2002 performance targets of reducing by one-third the amount of cropland acreage that is eroding at unsustainable rates as compared to 1992 levels. Data from NRCS' 1992 National Resources Inventory (NRI) were used to determine the baseline acreage fitting this criterion in 1992, and the 2002 performance target in acres was developed from this baseline.

Annual performance measures rely on measures of "conservation on the land" achieved with direct technical assistance from NRCS and our partners. These measures are identified based on the systems and practices for which NRCS has developed standards and specifications that are documented in the field office technical guides. To measure progress toward reducing the amount of cropland eroding at unsustainable rates, NRCS will track the number of cropland acres protected against excessive erosion. *Annual performance goals* identify the number of acres to be so treated for each year up to 2002. In this way annual performance measures and goals are identified for each of the eight NRCS Strategic Objectives.

This strategic plan also represents an integration of agency programs, requiring establishment of new tracking systems and methods of evaluating progress across social, cultural, economic, and natural resource systems. Baseline data and tracking systems are under development for certain performance targets. In the interim, NRCS will identify measurable surrogate performance outputs that provide the closest approximation of NRCS progress toward those objectives where baselines and tracking systems are under development. Once the intended baseline data and tracking systems are available, annual performance plans will reflect this new information and adjust performance measures and goals as necessary.

Measuring Progress Toward Achieving General Goals

Achieving annual performance goals, as determined from annual performance reports, will be the basic measure of accountability at all levels of the organization. Program managers will be responsible for ensuring that funds are used in accordance with the purpose and intent of Congress.

The performance targets established for each strategic objective are measurable goals that will indicate progress toward achieving the strategic objectives, and general goals in the strategic plan. Achieving those performance targets is the most direct indication that progress is being made by NRCS and its partners. NRCS will use two primary means of tracking progress:

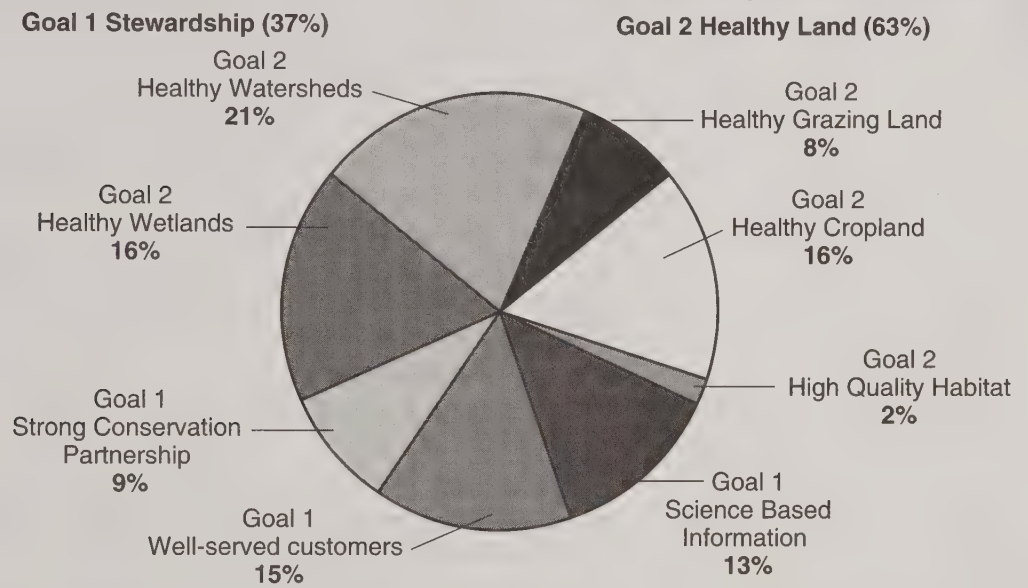
- Annual performance indicators, set forth in annual performance reports, will be used as input to models or other analytical tools to make annual estimates of progress, which in turn will be used to revise subsequent annual performance plans. Data sources for determining achievement of annual goals include data recorded in case files in USDA Service Centers and recorded in the NRCS Field Office Computing System (FOCS), which will be aggregated at the national level by the NRCS National Information Management System (NIMS).
- Data collection and analyses will be conducted periodically to track changes in the status, condition, and trends in conservation and natural resources. These ongoing assessments will estimate longer term changes in stewardship and on the land. The results of these assessments will be compared to performance targets as a broad measure of progress toward general goals. The 1997 NRI now underway will provide an updated baseline and measures of achievement of annual goals and an indication of progress toward the 2002 targets. Another inventory in 2002 will enable NRCS to make a reliable evaluation as to whether performance targets have been achieved.

Resources Needed

Strategic objectives and performance targets in this plan were established based on two assumptions: 1) that resources available to NRCS from FY 1998 through FY 2002 will be at the level outlined in the FY 1998 Department budget estimate and adjusted for pay cost and inflation, and 2) that NRCS and partners will be successful in doubling other Federal, state, local, and nongovernmental funds and other contributions to conservation. NRCS will need to improve its technical expertise and capability to achieve the outcomes outlined in this plan. Existing resources will need to be redirected and will result in a de-emphasis of some current activities, but substantial new investments (beyond those assumed in preparation of this plan) will be needed in training, information technology, and conservation technology to support conservation technical assistance to landowners and communities.

NRCS

Percentage of Resources Allocated to Each NRCS Objective



Goal 1 objectives provide the foundation for accomplishing Goal 2 objectives

Program Evaluation

Periodic evaluation of the implementation and accomplishments of individual conservation programs administered by NRCS is a critical element of our overall performance measurement system. These evaluations help NRCS determine the overall contribution to conservation of our Nation's natural resources resulting from agency activities. Programs are evaluated to estimate the benefits achieved, cost effectiveness, and the extent to which customer needs are met and congressional intent is achieved. More broadly, programs are evaluated to assess how effectively each program is contributing to achieving the desired outcomes.

The Great Plains Conservation Program, the Watershed Protection and Flood Prevention Program, the Conservation Technical Assistance Program, and the Water Quality Program all have been evaluated in the past decade. These evaluations were instrumental in developing and refining this strategic plan, particularly for strategic objectives and strategies related to erosion control, water quality and supply, and grazing land health. National evaluations initiated in FY 1997 include: Emergency Watershed Protection Program; Soil Survey Program; Conservation Planning; American Indian/Alaska Native Program Delivery; Implementation of the

Conservation Reserve Program, 14th and 15th sign-ups; and Implementation of the Environmental Quality Incentives Program in FY 1997. Evaluations recommended for initiation in 1998 include: Technology Delivery at the Field Office; Easement Management and Enforcement; Wetlands Conservation Provisions: Implementation of the Policy on Mitigation and Minimal Effect Determinations; and Wetland Restoration in the Wetlands Reserve Program.

Existing program tracking systems provide annual progress reports to measure program efficiency and contribution toward relevant strategic objectives. Findings of these periodic and annual evaluations are used to refine agency strategic objectives and strategies and guide agency strategic planning.

Role of External Entities

This plan was prepared by NRCS employees. No contractors were involved in activities directly related to preparation of reports. Contractors, working through cooperative agreements, have assisted in the analysis of data in support of this plan.

NRCS reached out to our partners and the broader community to receive input in preparing this plan. These activities included:

- Strategic planning and outreach in each of the six NRCS regions to identify natural resource concerns, strategic objectives, and performance goals.
- The Chief's reinvention forums that solicited input from 18,000 customers, partners, and employees across the country.
- A telephone survey conducted at the request of NRCS by the Gallup polling organization to assess public opinion regarding natural resource conservation and the appropriate role for NRCS.
- A customer satisfaction survey, as part of the Conservation Technical Assistance (CTA) evaluation, was distributed to 6,000 statistically selected customers across the country.
- A series of forums in major agricultural regions and major urban centers, sponsored jointly by NRCS and the Soil and Water Conservation Society, to gather opinions about conservation needs and policies.
- NRCS evaluation of its CTA Program to assist in developing strategies, goals, and performance measures.
- Wide distribution of the strategic plan drafts for comment by agency staff and partners.
- Consultation with congressional committee staff and General Accounting Office and Congressional Research Service reviews of agency strategic plans.

Research, Education, and Economics (REE) Mission Area Strategic Plan

REE

Table of Contents

Introduction	7-3
Key External Factors	7-4
Mission	7-5
Goals	7-5
Management Initiatives	7-10
Linkage of Goals to Annual Performance Plan	7-14
Resources Needed	7-14
Program Evaluation	7-15
Role of External Entities	7-16

Agencies' strategic plans

Agricultural Research Service (ARS)	7-17
Cooperative State Research, Education, and Extension Service (CSREES)	7-39
Economic Research Service (ERS)	7-57
National Agricultural Statistics Service (NASS)	7-71



Introduction

The Research, Education, and Economics (REE) mission area is assigned Federal leadership responsibility for the discovery and dissemination of knowledge spanning the biological, physical, and social sciences related to agricultural research, economic analysis, statistics, Extension, and higher education.

The following strategic plan will guide REE programs into the 21st century (years 1997-2002). This plan is an overview statement of intent for the REE mission area. Goals enumerated here will serve to shape annual performance plans, which will keep REE programs and resources focused and relevant in changing times. The agency plans framed by the common general goals provide the detailed responses to the Government Performance and Results Act (GPRA) and, along with the REE Strategic Plan, communicate programs and priorities to employees, customers, partners, and other constituents.

This plan reflects the functions and priorities of the Federal partner in a national system of research, education, and extension. The plans of other partners associated with this system will, and most likely should, differ in detail because of local priorities.

REE Mission Area Agencies and Partners

The Research, Education, and Economics mission area was established under the 1994 Department of Agriculture Reorganization Act. The four USDA agencies that make up the mission area, under the leadership of the Under Secretary for Research, Education, and Economics, are the Agricultural Research Service (ARS); the Cooperative State Research, Education, and Extension Service (CSREES); the Economic Research Service (ERS); and the National Agricultural Statistics Service (NASS). These agencies have unique missions, but also interact and cooperate in the work they perform.

The four diverse agencies have unique capabilities and encompass multiple academic disciplines. Their collaboration makes possible comprehensive investigation of complex issues or problems. REE functional capabilities permit projects that begin with fundamental research to better understand the basic science and the economic, social and environmental context of a given problem. Building on that basic understanding, the system finds effective, economically viable, and practical solutions, which are then transferred to public and private decision makers. A range of funding mechanisms affords the mission area the flexibility to enlist individuals and institutions most appropriate to the problems and issues at hand.

The agencies conducting the REE mission area programs perform five primary functions.

- Create *basic research knowledge* at the frontiers of the biological, physical, and social sciences.
- Produce, apply, and adopt *applied research-based knowledge* in innovative ways to address problems and issues.
- Produce *developmental research results and promote the commercialization and transfer of technologies and practices* to potential users.
- Provide leadership in the delivery of research-based knowledge through *Extension education, outreach, and information* to strengthen the capacity of public and private decision makers.
- Strengthen the capacity of institutions of *higher education* to develop the skills of the Nation's workforce.

The Land-Grant University System is the primary partner in many programs administered by REE agencies. Most CSREES programs are conducted by the land-grant universities and many ARS laboratories are located on land-grant university campuses. Both ERS and NASS work closely with the land-grant universities in research and information dissemination. The 1890 Land-Grant Universities and Tuskegee University, the Hispanic-serving institutions, and the 29 Tribal Colleges are critical to ensuring a well-trained, diverse workforce required by the REE agencies and the agricultural system in general.

Partnerships and Coordination

Historically, the REE mission area and agencies have sought the advice of users and stakeholders in determining program directions and priorities. Stakeholder is broadly defined as any individual or group who has a vested interest in, or is affected by, food and agricultural research, extension, education, and economics. This legacy of interaction with stakeholders needs strengthening to better reflect the customer base of the mission area. Internal agencies and external departments and agencies who the REE mission area work with are noted as part of the narrative related to each goal. In addition, the REE agencies work with the National Science Foundation, National Institute of Health, Office of Science and Technology Policy and the Center for Disease Control on programs related to all 5 program goals.

The REE mission area has numerous customers in addition to the land-grant university partners. Many, if not all, of these customers are shared by all of the REE agencies. They are:

- White House and USDA policy officials and program administrator/managers
- U.S. Congress and its staff
- Officials in other Federal agencies and state and local governments
- Scientific communities
- International cooperators
- Farmers, ranchers, foresters, and agribusiness
- U.S. public and taxpayers

Key External Factors

Rapid change in the USDA operating environments will challenge the REE mission area and agencies. Internally, a number of issues regarding research program quality, structure, priorities, and management have been or are being addressed. Externally, the most immediate drivers of change are the farm bill and annual appropriations, which determine the context in which the mission area operates. Among the factors affecting the mission area are the following.

Budget

Future funding levels by Federal, State, and local governments for discretionary programs such as those conducted by the REE agencies are uncertain. Reflecting current fiscal reality, budgets for Federal agencies will probably increase only in areas of primary national importance, and those programs will be expected to demonstrate results. However, research and education are investments in the Nation's future. Studies show that investments in agricultural research and education have a very high rate of return, and we have every reason to expect that future investments will yield similar dividends.

Personnel

The labor market is expected to be highly competitive for occupations requiring advanced education, including scientists, engineers, economists, statisticians, and computer specialists. Emphasis on recruitment, student employment, upward mobility, and training programs (including retraining) will be needed to maintain a quality REE workforce. Workforce diversity is expected to continue, and encouraging women and minorities to enter or embrace careers in science, engineering, statistics, and economics will be given high priority.

Technology, Communications, and Information Access

New developments in computer, communication, and related technologies have made it possible to transmit information almost anywhere in the world in a variety of data formats, including image, voice, and video. Agencies in the REE mission area both create and use new technologies. REE agencies must acquire and use these technologies to strengthen their ability to achieve goals more effectively and efficiently.

Agricultural Policy

The 1996 Farm Bill mandates substantial changes in the income and price supports for agriculture commodities, implying significant changes in the structure of agriculture. Related issues will put significant pressure on the agricultural industry and intensify the need for focused problem-solving programs within the REE mission area.

International Programs

Section 1458 of the Food and Agriculture Act of 1977, as amended, authorized the Secretary of Agriculture to develop an international agricultural program to expand cooperation with other nations. The objectives include exchanging research results and materials; conducting joint research and extension programs; developing within the Department highly qualified and experienced scientists and experts who specialize in international programs; working with traditional and more advanced countries in food, agricultural, and related research, development, and extension; and expanding collaboration and coordination with USAID regarding food and agricultural research, extension, and education programs in developing countries.

Mission

The Research, Education, and Economics mission area of USDA is dedicated to the creation of a safe, sustainable, competitive U.S. food and fiber system and strong, healthy communities, families, and youth through integrated research, analysis, and education.

Goals

REE programs will create and disseminate knowledge and provide education to achieve the following five goals and outcomes. These goals are derived from the broad public debate that codified the purposes for agricultural research in the 1996 laws reauthorizing the Department's research, education, and Extension programs. The goals and outcomes of the REE plan are further developed in the agency plans. The program objectives, time frames for completion, strategies, and performance measures are delineated in the agency plans.

In addition to these five program goals, the REE mission area carries out its broad mission by effectively marshaling the diverse capabilities and resources of the REE agencies. The objectives to achieve this are expressed in a later section of this plan entitled "Management Initiatives."

Goal 1

Through research and education, empower the agricultural system with knowledge that will improve competitiveness in domestic production, processing, and marketing.

■ Outcome 1

An agricultural system that is highly competitive in the global economy

Competitiveness in the global economy depends upon the ability of U.S. producers and processors to provide products that are in demand and can be reliably supplied domestically and around the world. Global competitiveness will be enhanced by finding new farming systems that will reduce production costs over time, develop new crops, find new uses for existing crop and animal products, develop new products and byproducts, provide value-added processing, overcome trade barriers, expand markets globally, and ensure delivery of products sold.

Producers must be able to adjust to a more market-oriented domestic farm policy and to accommodate shifting international trade opportunities. Policymakers and other agricultural leaders must promote an environment that engenders long-term producer success in the global marketplace.

A strong REE program in research, education, economic analysis, and statistics will help producers respond quickly to economic, social, and environmental changes that affect the production and sale of their products. Research will promote development of sustainable farming systems that provide long-term global competitiveness and new or improved agricultural products that fill market needs. Providing knowledge about existing or emerging markets and market segments will help producers capitalize on opportunities and avoid barriers to trade. REE contributions to informed policy and marketing decisions will reduce risk and increase returns to the United States in the global economy.

REE is well-positioned to share knowledge from research and analysis with producers, processors, marketing entities, policymakers, and the general public. All whose livelihood depends upon the U.S. agricultural sector, and ultimately all who eat, have a stake in the REE mission. Agricultural producers, processors, and distributors routinely use USDA statistics, research, economic analyses, Extension services, and cooperative educational opportunities afforded by the REE agencies.

REE agencies work with numerous other USDA agencies regarding this goal, including the Farm Service Agency, Foreign Agricultural Service, Forest Service, Agriculture Marketing Service, and Grain Inspection, Packers and Stockyard Administration. External to the USDA, the mission area works with the U.S. Agency for International Development, the State Department, and the Office of the U.S. Trade Representative regarding this goal.

Goal 2

To ensure an adequate food and fiber supply and food safety through improved science-based detection, surveillance, prevention, and education.

■ Outcome 2

A safe and secure food and fiber system

A safe and secure food and fiber system is one that is protected from threats to production such as pests, disease, and natural disasters, so that an adequate, low-cost supply is routinely available to the consumer. In addition, the system produces food of high quality and nutritional value and does not endanger the health of consumers due to microbial or chemical contaminants. Agricultural producers, processors, consumers, and allied industries and consumers must be provided with the knowledge to manage the risks inherent in food and fiber production and must be guided in the decision-making process to meet changing conditions.

Drought, floods, and crop and animal diseases are the most frequent threats to adequate food production. These, as well as recent outbreaks of human disease caused by food-borne human pathogens or contaminated water supplies, have highlighted the fragility of our food and fiber system. The system must constantly adapt to changes in how food is produced, processed, and handled until it reaches the consumers tables. Federal agencies have responded to these crises with improved regulatory and public health procedures, research focused on the most urgent questions, programs to educate food industry workers and consumers on the safe handling of food, and studies of the economic impact of this problem on society and agricultural industries.

Although the U.S. food supply is of high quality and among the safest in the world, the Centers for Disease Control and Prevention, Food and Drug Administration, and other sources estimate that between 6 and 33 million cases of food-borne illness occur each year. These illnesses directly contribute to as many as 9,000 deaths annually. ERS estimates that these illnesses lead to \$5.6 - \$9.4 billion per year in associated medical costs and loss of productivity. Although microbial pathogens on food pose the greatest risk to human health, chemical contaminants are often perceived by the public to be a greater problem.

REE agencies work with other USDA agencies regarding this goal. They are the Food Safety and Inspection Service and the Animal and Plant Health Inspection Service. External to USDA, the REE mission area works with the Food and Drug Administration and Health and Human Services regarding this goal.

Goal 3

Through research and education on nutrition and development of more nutritious foods, enable people to make health promoting choices.

■ Outcome 3

A healthy, well-nourished population

Food is a fundamental requirement for life and health. The quality of the diet profoundly affects human growth, development, and susceptibility to disease — both

chronic diseases that develop later in life and infectious diseases that can strike people of any age. Good nutrition is pivotal in optimizing health and productivity and reducing the risk of chronic and infectious diseases.

Nutrition research and education are beginning to yield health benefits. For example, the substantial decrease in childhood iron-deficiency anemia over the last 20 years is attributed to the introduction of iron-fortified infant cereals and formulas. However, 4 of the 10 leading causes of death in the United States have strong links to diet and the cost for treating these diseases and lost productivity exceeds \$200 billion per year. Although deaths from cardiovascular disease have been decreasing due to a combination of lower fat and saturated-fat levels in the diet and improved drugs and treatments, the prevalence of other chronic diseases such as obesity and osteoporosis is increasing.

USDA's research, education, and food assistance programs enable people to make informed food choices and provide food for those in need of assistance. Because health and social conditions change over time, the characteristics of a health-promoting diet must be developed to include the diversity of the population. Then, people making decisions for themselves and their families about what to eat must understand what is healthy and appealing in the context of their lives.

REE agencies work with the Food and Consumer Service and the Center for Nutrition Policy and Promotion regarding this goal. External to USDA, the mission area works with Health and Human Services regarding this goal.

.....

Goal 4

Enhance the quality of the environment through better understanding of and building on agriculture's and forestry's complex links with soil, water, air, and biotic resources.

■ Outcome 4

An agricultural system which protects natural resources and the environment

Several factors are critical to fostering greater harmony between agriculture and ecosystems that support us and other species. First, U.S. natural and agricultural resources must be used to promote agricultural competitiveness and economic development while preserving the natural resource base and enhancing environmental quality. Second, Federal farm, natural resource, and public policies and programs must promote stewardship of natural resources, in balance with productivity growth, resource-saving and resource-enhancing technologies, and maintain biodiversity within agroecosystems and surrounding ecosystems.

Growing concern about the role and size of government will increasingly require that policy makers and program managers be able to defend the efficiency and equity of agricultural and environmental policies and programs. The sharpening debate about the balance of private property rights with public environmental concerns increases the need to find voluntary avenues to ensure harmony between agriculture and the environment. The increasing scale and concentration of agricultural activities reinforces the need for understanding environmental issues involved in agricultural production, particularly regarding waste management and the effect these changes have on surrounding ecosystems, economic opportunities and social issues related to farms, rural communities, and consumers. The global agricultural economy requires increased REE research and education on global environmental interconnections.

REE is the national source for high-quality, relevant, and objective physical, biological, and socioeconomic data and analysis on links among natural resources, environmental quality, technological change, and agricultural and nonagricultural activities. Furthermore, REE ensures that the data and analytical results reach policy makers, program managers, producers, and consumers through formal education, Extension education, information access, and technology transfer programs. REE activities link Federal and State efforts to conserve and enhance biodiversity and to understand the ecosystem, including the effects of weather variability and climate change. REE leads joint Federal and State efforts to provide products with improved pest and disease resistance; and the use of agricultural products to decrease demands on the resource base; improve agricultural waste, land, water, pest, and disease management.

REE agencies work with the Natural Resources Conservation Service and the Forest Service regarding this goal. External to USDA, the mission area works with the Departments of Interior and Energy regarding this goal.

Goal 5

Empower people and communities, through research-based information and education, to address the economic and social challenges facing our youth, families, and communities.

■ Outcome 5

Enhanced economic opportunity and quality of life for Americans

As a society, we increasingly recognize that the economic opportunities and quality of life enjoyed by our communities, their residents, and its citizens and businesses depend largely on the capacity they have and the initiative they take to improve their well-being. A community with progressive leaders or a business or farm with innovative management will do better than one reluctant to try new ways or to adjust to new circumstances. But it is equally true that the economic, physical, and institutional context in which people, families, businesses and communities find themselves plays a major role in influencing their economic success and general well-being. While government cannot make people or communities show more initiative or force them to improve their skills or operating capacity, it can provide opportunities to acquire that capacity.

While the REE mission extends to promoting economic opportunity and well-being in all parts of the nation, it is particularly concerned with the future of rural communities and residents. The economic activities occurring in rural America are wide ranging — from agriculture, recreational services, and manufacturing to mining. Nationally, agriculture makes up roughly 10 percent of the rural economy, but is the dominant employer in some areas. Similarly, the economic opportunities, well-being, and needs of rural communities and residents vary widely across the country.

Rural and inner-city Americans experience significantly lower incomes than the national average. Nearly 2 in 10 rural Americans live in poverty, similar to the poverty rate in central cities. Young families are especially hard hit. Twice as many young families are living in poverty today than 20 years ago. One in five children under age 18 lives in poverty. Lack of access to transportation cuts families off from support services and economic opportunities in both rural areas and inner-city neighborhoods.

The challenge in efforts to facilitate economic opportunity and well-being is to take into account the diversity across the Nation while recognizing the common experience of people with limited access to resources.

REE will strengthen its efforts to improve the quality of life for American youth, adults and communities. One role of the REE agencies is to develop knowledge and transfer technologies designed to stimulate growth and job creation. Specifically, the REE agencies will develop and provide access to new knowledge, technologies, and management practices that encourage entrepreneurial activity, expand investment, build partnerships, and create jobs in all sectors of the economy, including agriculture. Another role of REE is to assist communities in taking on responsibility for their futures. In doing this, relevant REE agencies will help youth, families and communities develop their full potential by focusing on their strengths and assets.

REE agencies work with the Rural Development mission area regarding this goal. External to USDA, the mission area works with the Department of Health and Human Services regarding this goal.

Management Initiatives

The five programmatic general goals of the REE strategic and performance plans describe the programs to which the mission area is committed. The following management initiatives describe how the mission area will coordinate its activities to achieve those programmatic goals. The initiatives outlined focus on those management activities for which cross-agency participation would yield the most benefit. Other management activities will be carried out by the individual agencies.

As a result of consolidating program support functions in a single Administrative and Financial Management (AFM) unit with the Agricultural Research Service as the lead agency, efficiencies in administration have been realized. As described in the AFM Strategic Plan, AFM provides human resource, financial, procurement, contracting, property management, safety, health and environmental management, and other services on a reimbursable basis.

■ Management Initiative 1

Civil rights.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Integrate civil rights and work force diversity concerns into all aspects of program development, management, and delivery.
- Assure equitable and fair service all REE customers.
- Help each employee gain the skills and experience necessary to realize their career goals.
- Collectively bring the mission area the full range of expertise while improving diversity needed to carry out the REE mission.
- Resolve all civil rights complaints in a timely manner.

Performance Measures

Significant progress is monitored on each key task.

■ Management Initiative 2

Improve the responsiveness of REE programs to customers.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Regularly provide forums to learn about the needs of REE customers, including those historically under-served, and use this information as input to its planning process. Work with the National Agricultural Research, Education, Extension, and Economics Advisory Board in its effort to listen to REE stakeholders and customers and identify their information and technology needs. As part of this activity, encourage the Board to work with the diverse REE stakeholders to develop consensus on research and education priorities.
- Through the REE Policy Council and in formal and informal discussions with policy officials and program managers in the other USDA mission areas, develop research programs that specifically meet USDA customer information needs and priorities.

Performance Measures

Customer assessment indicates improved customer satisfaction and response.

■ Management Initiative 3

Adopt an integrated planning process that promotes development of complementary and coordinated cross-agency programs.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Structure programs around a common set of REE goals and priorities. Incorporated in this process is identification of research, education and extension projects that meet the needs of historically underserved customers.
- Establish guidelines for identifying areas of research, education, and extension programs that would be enhanced by multi-disciplinary approaches and/or multi-agency collaboration and use a collaborative process in planning and implementing major initiatives.
- Develop a coordinated REE research agenda that includes single agency and multi-agency projects in order to most effectively accomplish the REE goals.
- Promote an REE-wide culture that recognizes the value of multi-disciplinary, as well as, single disciplinary, and collaborative approaches to the design and implementation of research and other activities and encourages their use. Raise staff's understanding of the programs and contributions of each others' agencies. Promote the acquisition of skills and experience that will help staff participate in collaborative, multi-disciplinary projects.

Performance Measures

Adoption in multi-disciplinary, multi-functional and cross-agency collaborations increases.

■ Management Initiative 4

Collaborate in the development of budgets and budget initiatives.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Funds and other resources should be allocated so as to most effectively and efficiently execute the integrated REE research, education and extension agenda. In this process, REE will favor those activities and institutions that are most responsive to the needs of all REE clientele, including those historically underserved.
- Promote and encourage flexible staff assignment to ensure that individuals with appropriate expertise, skills, and desire can participate in projects or programs external to their units or agencies.
- Support the Research Facilities Strategic Planning Task Force in developing a 10-year Strategic Plan to guide Federal investment in research facilities. In the 2 years before the Task Force completes the plan, make limited critical facilities funding decisions that are consistent with the principles being developed by the Task Force.

Performance Measures

Budget and program collaboration and completion increases.
The facilities review is completed on schedule.

■ Management Initiative 5

Provide REE program managers, staff, and partners better access to enhanced program information through more effective use of computer and telecommunication technology.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Design, test, and implement the Research, Education, and Economics Information System (REEIS), a comprehensive distributive data base on REE and REE-funded programs that meets program planning, management, and accountability needs, including those required by the Government Performance and Results Act. REEIS will also serve the needs of REE employees and partners by helping them learn about these diverse programs.
- Ensure that all employees can easily communicate and exchange data and documents electronically with each other and partners.

- Work with the Office of the Chief Information Officer and the Office of the Chief Financial Officer in modernizing USDA's information and financial resource management systems in a manner that supports the work of the mission area, as well as the Department.

Performance Measures

REEIS is fully implemented by FY 2001.

Linkage of Goals to the Departmental Goals

The USDA has identified 3 strategic goals and 1 management initiative as the critical concerns to be addressed by the various programs and functions of the Department. The components of the REE strategic plan and the accompanying plans of the REE agencies are consistent with and linked with the Departmental strategic goals.

- USDA Goal 1: Economic and trade opportunities for agricultural producers and other rural residents.
—*REE Goals 1 and 5*
- USDA Goal 2: Food for the hungry, and a safe, affordable, nutritious, and accessible food supply.
—*REE Goals 2 and 3*
- USDA Goal 3: Sensible management of the natural resources.
—*REE Goal 4*
- USDA Management Initiative: Promote effective customer service and efficient program delivery.
—*REE Management Initiatives*

Linkage of Goals to the Legislated Purposes of Agricultural Research

In the 1996 Farm Bill, Congress delineated a set of "purposes" for agricultural research. These purposes were considered in formulating the REE strategic plan and its goals. Though not expressly incorporated, these purposes "track" nicely to the general goals and outcomes of this plan.

1996 Purposes: (Section 801, Public Law 104-127, 1996 Farm Bill, April 4, 1996)

- 1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;
—*REE Goal 1*
- 2) increase the long-term productivity of the United States agriculture and food industry while maintaining and enhancing the natural resource base on which rural America and the United States agricultural economy depend;
—*REE Goal 4*
- 3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;
—*REE Goal 1*
- 4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;
—*REE Goal 5*

- 5) improve risk management in the United States agriculture industry;
—*REE Goal 1*
- 6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that maintain the balance between yield and environmental soundness;
—*REE Goal 4*
- 7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and
—*Higher education is one of the 5 functions identified in this strategic plan and relates to all 5 of the general goals and outcomes.*
- 8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.
—*REE Goals 2 and 3*

REE

Linkage of Goals to Annual Performance Plan

Each year of this plan, the REE mission area and each agency will develop an annual performance plan built on the general goals and outcomes of this strategic plan. The performance plans will identify the objectives, outputs, outcomes, and/or impacts planned for the year by the agency. The annual performance plan will also present the budget needed to achieve the performance goals articulated for the year.

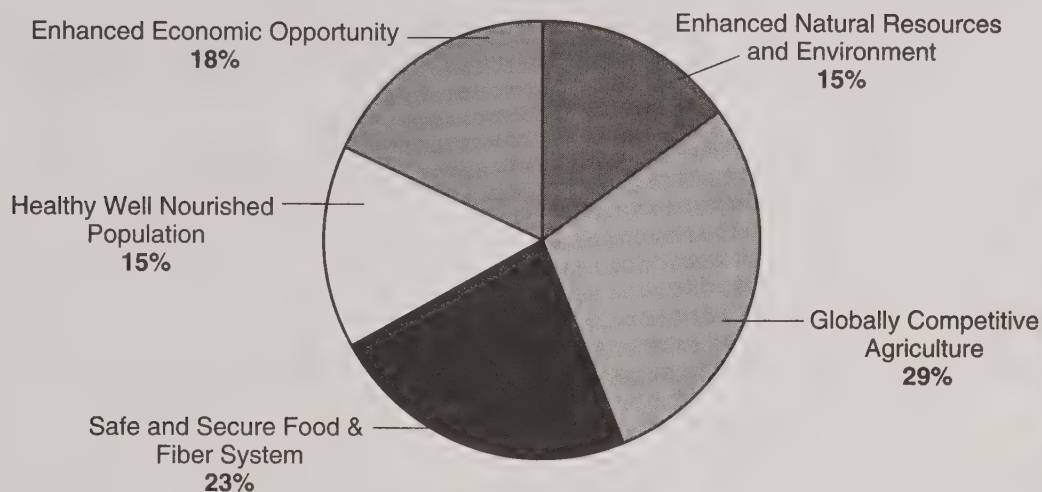
Resources Needed

To promote more effective, outcome-oriented management in government, GPRA mandates that agencies' strategic plans be the basis for development of annual budgets. Thus, this strategic plan and the REE agency strategic plans will drive decisions about the use and allocation of agency resources.

REE agencies will prepare their budgets using the framework and priorities of this REE strategic plan. Thus, agency budgets will collectively gear resources to achieve the long-range outcomes of USDA research, education, and economics programs. These budgets will be modified to reflect the projected funding level: decrease, level, or increase. This format will allow decision makers to make appropriate funding decisions based on what each agency commits to produce for the funds allocated.

The following chart reflects the current allocation of funds by REE general goal. These data are considered input/baseline data for purposes of this strategic plan. Shifts in the allocation of funds during the life of this plan will reflect adjustments to changing priorities within the frame work of the plan.

REE FY 1997 Resource Allocation by Goal



Program Evaluation

Program impact and assessment are difficult in the research and education arena. In basic research, for example, outcomes are difficult to quantify or predict in advance. However, certain methodologies can measure achievement against world standards, customer satisfaction, and progress toward goal achievement based on peer review. The applicability of these methodologies are being considered by both the mission area and the agencies as performance plans are being developed.

Progress in each of the goals, outcomes, and objectives will be monitored by the Office of the Under Secretary throughout the 5 years of the strategic plan. Annual performance plans will incorporate milestones for each of the objectives. Each agency in the REE mission area has developed a strategic plan and will subsequently develop annual performance plans that delineate their contributions to the overall goals and initiatives of the mission area.

Merit review based on peer evaluation will be the primary means to assess conduct of science at world-class standards in the REE agencies. REE agencies will work with the National Science and Technology Council to develop techniques to assess the effectiveness of U.S. science overall. These reviews will be monitored by the National Agricultural Research, Extension, Education, and Economics Advisory Board. Over the 5 years of the plan, one of the five program outcomes will be reviewed each year.

The objectives of this plan, in conjunction with the agency strategic plans, will be the basis for review of each program goal. In addition, the REE agency strategic plans will contain a set of quality standards for each goal that will define expectations regarding content, relevance, timeliness, and dissemination of research results, as well as educational programs.

The results of these reviews will be the basis of the annual performance reports. In addition, each agency will report outputs achieved during the year and provide narrative descriptions of notable discoveries or milestones.

The Role of External Entities

During the time frame of development of this plan, two consultants or contractors were used. The first was a contractor used in the initial stages of the development of this plan for training assistance and support in developing a framework for the initial version of the strategic plan. The second was a 2-day contract to learn private industries' experience with performance measurement and more generally managing research units. This plan has was prepared entirely by state and Federal personnel.





Agricultural Research Service (ARS) Strategic Plan

Table of Contents

Introduction7-19

Key External Factors7-21

Mission7-23

Goals7-23

Management Initiatives7-32

Linkage of Goals to Annual Performance Plan7-35

Resources Needed7-36

Program Evaluation7-37

Role of External Entities7-37

ARS

Strategic Plan
Research
Development

Strategic Plan

- 1. Vision
- 2. Mission
- 3. Objectives
- 4. Strategies
- 5. Action Plan
- 6. Evaluation
- 7. Monitoring
- 8. Reporting

Introduction

The Agricultural Research Service (ARS) is the principal in-house research agency of the U.S. Department of Agriculture (USDA). It is one of the four component agencies of the Research, Education, and Economics (REE) mission area. Congress first authorized federally supported agricultural research in the Organic Act of 1862, which established what is now USDA. That statute directed the Commissioner of Agriculture "... To acquire and preserve in his Department all information he can obtain by means of books and correspondence, and by practical and scientific experiments,..." The scope of USDA's agricultural research programs has been expanded and extended more than 60 times in the 135 years since the Department was created. Before the enactment of large-scale crop support and nutrition programs, agricultural research was a substantial part of the Department's budget. Shortly before World War II, USDA received about 40 percent of all Federal funds appropriated for research. To better support the war effort, the Department's various research components were brought together into the Agricultural Research Administration (ARA). In 1953 the ARA was reorganized into ARS.

In FY 1997, ARS received an appropriation from Congress of \$717 million (less than 1 percent of the Federal research funds appropriated for that year), which supported 1,100 research projects at 104 locations involving about 1,950 scientists.

ARS Research

ARS research has long been associated with higher production and more environmentally sensitive farming techniques. But the impact of ARS research extends far beyond the farm gate and the dinner table. Agricultural research is as much about human health as it is about growing corn. For example, ARS recently developed a fat substitute called Oatrim. Not only does this technology benefit farmers by providing a new use for oats, it enables processors to produce tastier low-fat foods. Consumers may reap the biggest benefits: Oatrim-rich diets lower the bad (LDL) type of cholesterol without decreasing the good (HDL) type, and it improves glucose tolerance.

ARS research is about improvement of crops and livestock through both modern adaptations of traditional breeding methods and new biotechnology techniques. For example, ARS recently released to industry cattle germplasm with high breeding value for twinning. Developed through intensive selection, this twinning technology has the potential to increase efficiency of beef production by 25 percent. On the biotech side, ARS scientists have mapped two clusters of chicken genes that may facilitate location of economically important genes.

ARS research is also as much about development of industrial products such as printing ink from crops like soybeans as it is about development of high-yielding wheat varieties. And as with Oatrim, printing ink made from 100 percent soybean oil instead of petroleum solves more than one problem: Unlike petroleum, soybeans are a renewable resource, and this technology diversifies markets for soybean farmers and choices for ink manufacturers and printers.

ARS research provides solutions to a wide range of problems related to agriculture—problems requiring long-term commitment of resources or those problems unlikely to have solutions with quick commercial payoff that would tempt private industry to do the research. These problems range from the ongoing battle to protect crops and livestock from costly pests and diseases to improving quality and safety of agricultural commodities and products, determining the right mix of nutrients for humans from infancy to old age, making the best use of natural resources, and ensuring profitability for producers and processors while keeping costs down for consumers.

To develop these solutions, ARS scientists carry out basic, applied, and developmental research, which are inextricably linked. Scientists cannot do applied and developmental research without the foundation provided by basic research; ARS basic research must point toward specific uses for new knowledge resulting from the research. Also, basic research is necessary in anticipation of new problems and to provide information needed for rational nationwide policies.

ARS scientists communicate research results and transfer new technologies from ARS to other scientists, institutions of higher education, producers, product and process developers, consumers, and other end users through: publications; conferences, workshops, and consultations; and cooperative agreements and patent licenses.

International Collaboration

The combined government funding for agricultural research in foreign countries far exceeds U.S. Federal funding for agricultural research. Recognizing this resource, ARS has set up carefully selected international collaborations that have led to a cost-effective supplementation of ARS technology development and access to germplasm. At present, the agency has 368 cooperative linkages with 51 countries. Collaborations often result in co-publication of research results. Where appropriate, intellectual property is mutually protected with co-patents. Through its tactically constructed network of international research interchanges, ARS, in cooperation with the U.S. Department of State, helps to advance techno-scientific diplomacy for the U.S. Government.

National Agricultural Library

The National Agricultural Library (NAL) was established by Congress in 1862. It is the largest agricultural library in the world and one of only four national libraries in the United States. In 1994, it became part of the Agricultural Research Service.

The library's unique, comprehensive collection of more than 2.2 million volumes forms the fundamental base of knowledge on agriculture and related basic and applied sciences and social sciences for the Nation. Traditional as well as innovative and specialized information services and products enable customers to identify, locate, and obtain needed information on agriculture and related topics. Through preservation activities, NAL ensures that the collection is available for current and future use. NAL produces AGRICOLA (AGRICultural On-line Access), a bibliographic database of more than 3 million citations to agricultural literature, and provides leadership in development and application of information technologies that help ensure access to knowledge and information such as gene maps.

National Arboretum

The U.S. National Arboretum was established by Congress in 1927 as a research and educational institution. It is the only federally funded arboretum in the United States. The arboretum introduces new cultivated forms and improved germplasm of ornamental and floral plants, especially of trees and shrubs. Research activities are carried out at four locations in the Eastern United States. The 444-acre site in Washington, D.C., supports a wide range of education activities and opportunities for people of all ages. The arboretum provides attractive display gardens, collections, and historic features for the education and enjoyment of about 400,000 people annually.

Technology Transfer Activities

Products, techniques, and information generated from ARS research must be transferred to customers if the United States is to maintain its global competitive edge in agriculture. The technology transfer process ranges from controlled release of information via oral, written, or electronic form, to establishment of research and development partnerships with industry, other Government agencies, and universities. Intellectual property is guarded by patents and plant variety protection, and commercialization is achieved by patent licensing and Cooperative Research and Development Agreements (CRADA's).

Legislative Mandates

ARS research is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201); Research and Marketing Act of 1946, amended (7 U.S.C. 427. 1621); Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note); Food Security Act of 1985 (7 U.S.C. 3101 note); Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note); and the Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill). ARS derived most of its objectives and initiatives from statutory language, specifically the "Purposes of Agricultural Research, Extension, and Education" set forth in Section 801 of 1996 Farm Bill.

Partnerships and Coordination with USDA and Other Federal Agencies

As the principal in-house research component of USDA, ARS provides the scientific expertise needed to support the work of most of the Department's action and regulatory agencies and other Federal agencies such as the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), and some components within the Department of Defense (DOD), and the Department of the Interior (DOI). The USDA action and regulatory agencies served by ARS include: Agricultural Marketing Service (AMS); Animal and Plant Health Inspection Service (APHIS); Farm Service Agency (FSA); Food and Consumer Service (FCS); Food Safety and Inspection Service (FSIS); Foreign Agricultural Service (FAS); Forest Service (FS); Grain Inspection, Packers and Stockyard Administration (GIPSA); and the Natural Resources Conservation Service (NRCS). During the drafting process, ARS formally and informally solicited input, comments, and suggestions from a broad range of customers and stakeholders, including the above listed Departments and agencies. Information received from these agencies was incorporated into this final draft.

Key External Factors

Consumer, Socio-Economic, and Policy Trends

The abundance and affordability of the American food supply is chiefly due to U.S. agricultural research. The Nation's ability to sustain this plentiful and inexpensive food supply continues to be paramount. But in recent years, consumer and producer attention has expanded somewhat to other areas of concern such as food safety and quality, the relationship of agriculture and the environment, the profitability of the agricultural enterprise, and the impact of government regulations, land use restrictions, and economic options that diminish the supply of farm and grazing land.

The long-term sustainability of the Nation's food and fiber production systems will be determined not only by the continued profitability of farming and ranching, but also by how these production systems affect the environment. The capacity of U.S. agriculture to adapt to environmental changes is also a concern as are the availability and quality of natural resources. Another key environmental issue is how

human activities affect weather patterns, atmospheric composition, soil and water quality, and productivity.

Global population increases, demographic changes, and economic growth will substantially increase the demand for agricultural products and lead to the development of new markets. At the same time, increased agricultural efficiency in other countries will force U.S. agriculture to be more competitive.

Meanwhile, budget deficits and external pressures on the domestic economy may reduce funding for agricultural research in both the public and private sectors.

Congressional Support

The ability of ARS to respond to the many and diverse needs of producers and consumers is determined by Congressional appropriations. Adjusted for inflation, these appropriated funds are substantially smaller now than they were two to three decades ago. As a consequence of inflation and the higher operating costs associated with advances in research equipment and techniques, the ARS scientific workforce, which reached a maximum of about 3,400 scientists in 1970, decreased by almost 40 percent during the following 25 years. In recent years, Congressional appropriations, expressed in current dollars, have remained static. Because of widespread concern about Federal budget deficits, and the commitment by both the Administration and the Congress to reduce Federal expenditures, future ARS budgets are expected to remain at or near its current level.

Full Implementation of the 1996 Farm Bill and Pending Revisions of the Research Title

The 1996 Farm Bill set a new direction for American agriculture by beginning the process of phasing out farm subsidy payments based on production levels and introducing free market disciplines. The effect of this legislation will be to heighten the importance of agricultural research as one form of a safety net beneath producers. Research to maintain and improve productivity; to detect, control, and eradicate diseases and pests (insects, weeds, etc.); and to promptly address nontariff trade barriers, especially sanitary and phytosanitary conditions, will take on even greater importance in a market environment. The enactment of the 1996 Farm Bill will affect ARS research into the foreseeable future.

Congressional reauthorization of the Research Title will affect ARS, but we are still too early in the legislative process to anticipate what that impact will be.

Competition

The Department of Labor projects an increase of 19 percent in the size of the general workforce in the next decade, which is slightly lower than the rate of growth for the preceding decade. The labor market during this period is also expected to be highly competitive for many occupations that require an advanced education, including scientists, engineers, economists, and computer specialists. The high earning potential of professions, such as law and medicine, will continue to make a career in science less attractive to many young men and women who have the creative intelligence needed for professional success in agricultural research. Consequently, a major emphasis on recruitment, student employment, upward mobility, and training programs will be needed to attract and retain a quality workforce. The trend toward increasing workforce diversity is also expected to continue, and opportunities for encouraging women and minorities into careers in science, engineering, and economics will need to be given a high priority.

Mission

ARS conducts research to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to:

- ensure high-quality, safe food, and other agricultural products
- assess the nutritional needs of Americans
- sustain a competitive agricultural economy
- enhance the natural resource base and the environment, and
- provide economic opportunities for rural citizens, communities, and society as a whole.

Goals

USDA Goals

The Departmental Overview articulates three overarching goals that all mission areas and agencies support. These three goals are:

- Expand economic and trade opportunities for agricultural producers and other rural residents.
- Ensure food for the Hungry, and a safe, affordable, nutritious, and accessible food supply, and
- Promote sensible management of our resources.

ARS has incorporated these goals throughout its strategic plan. Goal 1 is covered by ARS goals 1 and 5. Goal 2 is addressed in ARS goals 2 and 3. Goal 3 is covered in ARS goal 4.

Since the enactment of GPRA, ARS has systematically explored ways to express its research activities through goals that are measurable. One such effort was the Research Roundtable, an ad hoc committee consisting of the major Federal research agencies. This group met monthly in an effort to define ways to apply GPRA principles in a research environment. These efforts were very helpful to ARS in evolving this strategic plan, but they also identified several reasons why it is extremely difficult if not impossible to apply numerical measures to research, especially basic research. For example:

- the outcomes/impacts of research are difficult to identify and measure in advance
- the value of knowledge gained is not always immediately recognized
- results are not always predictable
- there is a high percentage of negative determinations or findings
- the unknown cannot be measured

For these reasons and after earlier efforts to do otherwise proved unsatisfactory, ARS decided not to provide numerical measures for its research activities, but to use a narrative approach to describing its accomplishments.

Goal 1

Through research and education, empower the agricultural system with knowledge that will improve competitiveness in domestic production, processing and marketing.

ARS will conduct research designed to generate new knowledge; improve production systems; enhance resource efficiencies; improve processing quality, performance, and value of commodities; and develop technologies to reduce nontariff trade barriers. The national needs for scientific agricultural information will be met in a timely manner. U.S. agricultural producers and processors will have access to current knowledge and technologies. Because trade issues are global, ARS will expand collaboration with foreign research institutions. The outcomes will be technologies and practices that encourage trade in agricultural products and mitigate nontariff barriers to such commerce.

■ Objective 1.1

Strengthen Competitiveness: Enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive work environment.

ARS will generate new knowledge and develop new and improved production systems with greater resource efficiencies; improve the processing quality, performance, and value of commodities to meet domestic and global market needs; develop technologies to eliminate trade barriers due to quarantine issues and other nontariff trade constraints; develop sustainable and cost-competitive food and industrial commodity processing technologies and concepts; and balance the needs of agriculture and the environment.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- **Cost-Effective Agricultural Production Systems:** Develop New Knowledge And Integrated Technologies For More Efficient and Economically Sustainable Agricultural Production Systems of all Sizes.
- **Postharvest Control of Pests:** Develop postharvest technologies and processes to meet domestic needs and reduce or overcome nontariff trade and quarantine barriers caused by pests (insects, weeds, pathogens, etc.).
- **Measurement of Product Quality and Marketability:** Improve quality, uniformity, value, and marketability of commodities and other agricultural products.
- **International Technology Interchange:** Develop a strategy for selective international research interchange to supplement ARS technology developments and strengthen competitiveness of U.S. agriculture.

Performance Measures

- Demonstrate and transfer to users integrated systems.
- Demonstrate and transfer to users computer-based simulation models and decision-support systems.
- Demonstrate techniques to control or eliminate postharvest insects and diseases and increase market quality and product longevity.

- Demonstrate technologies to control quarantine pests.
- New and improved diagnostic tests are developed and available.
- Demonstrate postharvest technologies that add value and improve quality.
- Provide knowledge and technology to expand and improve the grading systems for agricultural commodities and products.
- Demonstrate methods to measure the critical processing and end-use properties of agricultural commodities important to the agricultural marketing system and to the processing industry.
- Strategic alliances formed with specific foreign institutions, leading to joint development of germplasm and value-added technologies, mutually protected through intellectual property agreements.

■ Objective 1.2

Develop New Uses and Products: Develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops.

ARS will contribute to development of new and alternative crops, new food and non-food uses and products from plants and animals, alternative fuels, and new processes and other technologies using these commodities.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- New and Alternative Crops: Develop new and alternative crops with economic and social value.
- New Uses and Products: Develop new food and nonfood uses and products from plants and animals, and new processes and other technologies that add value.

Performance Measures

- Experimentally demonstrate production of new, improved, and alternative crops and horticultural products with potential for successful introduction and demonstrate successful operation of aquaculture systems.
- Experimentally demonstrate new and improved production, harvest, and postharvest handling procedures of these crops.
- Experimentally demonstrate improvements in processing technologies and develop new bioproducts and uses that have potential to increase demand for agricultural commodities.

◆◆◆◆◆ Goal 2

To ensure an adequate food supply and improved detection, surveillance, prevention, and educational programs for the American public's health, safety and well-being.

For the purpose of goal 2, research to ensure a secure agricultural production system refers to work that reduces or eliminates factors that threaten the ability of U.S. agri-

culture to produce enough food, year to year, to meet the needs of American consumers. ARS will conduct research designed to generate knowledge regarding new and improved management practices, pest management strategies, sustainable production systems, and control of potential contaminants. Food safety research seeks ways to assess and control potentially harmful food contaminants. These activities will ensure a safe, plentiful, diverse, and affordable supply of food, fiber, and other agricultural products.

■ Objective 2.1

Secure Food and Fiber System: Maintain a safe and secure food and fiber system that meets the Nation's needs now and in the future.

ARS' research program will conserve and enhance genetic resources and improve the efficiency of agricultural production and processing systems to provide America with a safe, adequate, secure, affordable, and nutritious supply of food and fiber.

Time Table for Completion

Ongoing

Strategies for Achieving the Objective

- Plant and Animal Production Systems: Improve efficiency of agricultural production systems to ensure the security of the Nation's food, fiber, and energy supply.
- Plant, Animal, and Ecosystems Protection: Improve integrated management systems that contribute to the protection of plants, animals, and ecosystems against pests (insects, weeds, pathogens, etc.).
- Germplasm Resources and Genomics: Acquire, preserve, evaluate, describe, and enhance genetic resources and develop new knowledge and technologies to increase the productive capacity and usefulness of plants, animals, and other organisms.
- Plant and Animal Biological Processes: Develop biologically based technologies to improve productivity, safety, nutrient content, and quality of plants, animals, microbial organisms, and their products.

Performance Measures

- Demonstrate increases in productivity above current levels, using sustainable technologies.
- Demonstrate a more efficient and cost-effective use of resource inputs while increasing productivity above current levels
- Demonstrate new integrated technologies to protect plants, animals, and ecosystems.
- Collections of well-documented germplasm of importance to U.S. agricultural security are readily available to scientists and breeders for research and development.
- Documented DNA base sequences of agricultural importance.
- Release of improved germplasm, varieties, and breeds based on effective use of genetic resources.
- Improved methods for identifying useful properties of plants, animals, and other organisms and for manipulating the genes associated with these properties.
- Make technologies available for improving productivity, safety, and quality.

■ Objective 2.2

Safe Food: Maintain a safe supply of food to meet human needs.

ARS' food safety research program will assess the safety of animal and plant products and develop methods to control potential food contaminants. The human nutrition research activities covered in this objective are addressed in goal 3, objective 1.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

Plant and Animal Product Safety: Provide knowledge and means for production, storage, and processing of safe plant and animal products.

Performance Measures

Transfer knowledge developed by ARS to industry and regulatory agencies.

***** Goal 3

A healthy and well-nourished population who have knowledge, desire, and means to make health promoting choices.

ARS will conduct research to generate new knowledge in human nutrition that will establish the relationship between diet and health, measure food consumption patterns, and develop new methods to measure the nutrient composition of food. The outcomes of these efforts will be a safe, and nutritious food supply and a knowledge base that enables people to make healthful food choices.

■ Objective 3.1

Nutritious Food: Maintain an adequate and nutritious supply of food to meet human nutritional needs and requirements.

ARS' human nutrition research program will establish the relationship between diet, nutritional status, and health throughout life and the contribution of diet to disease resistance and the reduction of disorders related to nutrition. The program will develop methods for determining food components and maintain national food composition databases. ARS will monitor food consumption, knowledge, attitudes, and behavior of the U.S. population and design and test techniques that enable people to improve their nutritional status. The food safety activities covered in this objective are addressed in general goal 2, objective 2.2.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Human Nutrition Requirements: Determine requirements for nutrients and other food components of children, pregnant and lactating women, adults, and elderly of diverse racial and ethnic backgrounds.
- Food Composition and Consumption: Develop techniques for determining food composition, maintain national food composition databases, monitor the food and nutrient consumption of the U.S. population, and develop and transfer effective nutrition intervention strategies.
- Nutritious Plant and Animal Products: Develop more nutritious plant and animal products for human consumption.

Performance Measures

- Indicators of function determined and related to diet and health.
- Transfer new measurement techniques and data to users, release results of surveys, transfer effective nutrition intervention strategies.
- Demonstrate improved nutritional quality.

♦ ♦ ♦ ♦ ♦

Goal 4

To enhance the quality of the environment through better understanding of and building on agriculture's and forestry's complex links with soil, water, air, and biotic resources.

ARS will conduct multidisciplinary research to solve problems arising from the interaction between agriculture and the environment. New practices and technologies will be developed to conserve the Nation's natural resource base and balance production efficiency and environmental quality. Since environmental quality is a global problem, ARS will expand collaboration with foreign research institutions. The outcome will be technology and practices that will mitigate the adverse impact of agriculture on the environment.

■ Objective 4.1

***Balance Agriculture and the Environment:* Increase the long-term productivity of the United States agriculture and food industry while maintaining and enhancing the natural resource base on which rural America and the United States agricultural economy depend.**

ARS will conserve and enhance genetic resources, improve the efficiency of agricultural production systems, and develop new and improved high-quality food and non-food agricultural and industrial products with improved pest and disease resistance and better adaptability to a wider range of climatic conditions. ARS will develop new and improved management practices, elucidate the potential effects of global climate change, and develop new ways to manage crop and animal production systems in the changing global climate, develop integrated pest management strategies including bio-control strategies, and develop integrated sustainable agricultural production systems to maintain and enhance the quality and productivity of the Nation's soil, water, and air, ensuring conservation of the natural resource bases essential to meet future needs.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- **Natural Resource Quality:** Develop new concepts, technologies, and management practices that will enhance the quality, productivity, and sustainability of the Nation's soil, water, and air resources.
- **Global Change:** Increase understanding of the responses of terrestrial ecosystems to manmade and natural changes in the global environment.
- **Cropland and Grazingland Sustainability:** Develop cropland and grazingland management strategies that will improve quality, quantity, and sustainability of food and fiber products needed for U.S. competitiveness.

Performance Measures

- Demonstrate concepts and on-farm agricultural technologies and management practices that maintain and enhance the environment and natural resource base.
- Experimentally demonstrate the appropriateness of watershed-scale technologies and practices that protect the environment and natural resources.
- Documentation of agriculture's effects on the global environment.
- Documentation of how changes in the global environment affect agriculture.
- Demonstrate cropland and grazingland management strategies that improve productivity and efficiency of croplands and grazinglands.
- Provide information to public agencies and private organizations and directly to farmers and ranchers that will lead to adoption of improved cropland and grazing land management strategies.

■ Objective 4.2

Risk Management: Improve risk management in the United States agriculture industry.

ARS will address the multifaceted risks that are inherent in the U.S. food and fiber production and processing systems. They can have economic, environmental, and human health components. The risks associated with weather extremes, such as droughts and floods, often result in serious economic losses and major environmental damage. Serious crop and animal losses can also result from temperature extremes, hail, and other weather conditions. Crop and animal producers frequently suffer severe economic losses from diseases, insects, and other pests. This objective is targeted toward minimizing and, where feasible, eliminating the impact of these risks through development of better animals and plants and improved production and processing systems. The presence of toxic elements and bacterial contaminants in the food supply is addressed under general goal 2, objective 2.2.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- **Economic and Environmental Risks:** Reduce economic and environmental risks through improved management of agricultural production systems.

- **Weather and Environmental Risks:** Develop concepts and technologies for predicting and reducing the socio-economic costs and resource damages associated with extreme weather variability.

Performance Measures

- Risk-reduction strategies and methods transferred to the Nation's agricultural industry.
- Improve strategies and technologies that reduce the effects of extreme weather variability.

■ **Objective 4.3**

Safe Production and Processing: Improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that maintain the balance between yield and environmental soundness.

ARS will develop new and improved management practices, integrated pest management strategies, and integrated sustainable agricultural production systems to enhance the safety, quality, and productivity of the U.S. agricultural production and processing systems while protecting the Nation's environment.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- **Environmentally Safe Pest Management:** Develop environmentally safe methods to prevent or control pests (insects, weeds, pathogens, etc.) in plants, animals, and ecosystems.
- **Integrated Agricultural Production Systems:** Develop knowledge and integrated technologies for promoting use of environmentally sustainable agricultural production systems.
- **Waste Management and Utilization:** Develop and transfer cost-effective technologies and systems to use agricultural, urban, and industrial wastes for production of food, fiber, and other products.

Performance Measures

- Deliver integrated pest management strategies that are cost effective and protect natural resources, human health, and the environment.
- Demonstrate the effectiveness of integrated agricultural production systems in the improvement of natural resources and protection of the environment.
- Provide computer-based models and decision-support systems to farmers, public agencies, and private organizations.
- Demonstrate technologies to store, mix, compost, inoculate, incubate, and apply wastes to obtain consistent economic benefits while at the same time minimizing environmental degradation, nutrient loss, and noxious odors.
- Demonstrate the conversion of agricultural waste into liquid fuels and industrial feedstocks.

Goal 5

Empower people and communities, through research-based information and education, to address the economic and social challenges of our youth, families, and communities.

ARS will conduct research to identify new crops, products, technologies, and practices to increase profitability, expand markets, add value, and make small-scale processing capabilities available in rural communities. Access to technologies and information will be expanded and simplified so that farmers, ranchers, and rural residents can obtain information in a timely manner. Progress towards this goal will be seen in the gradual strengthening of rural economic growth and improvements in the quality and stability of rural life.

■ Objective 5.1

Economic Opportunity and Technology Transfer: Conduct agricultural research to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry.

ARS will integrate basic long-term research and targeted short-term research to develop new technologies, practices, and production enterprises that increase profits, enhance the farm ecosystem, and develop small-scale processing technologies to create value-added products from agricultural commodities. In addition, ARS will improve access to research information, target information dissemination, transfer technology more effectively, and enhance exchange of problem-solving information with domestic and international research organizations. While the introductory focus of this goal is expanding economic opportunities, ARS interprets the information and technology transfer provisions to apply across the board to all areas of agricultural research. Activities specifically related to the work of the National Agricultural Library are addressed in initiative 2.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- **Rural Development Opportunities:** Develop farming systems tailored to diverse agricultural production enterprises to enhance profits, sustainability, and environmental quality.
- **Information Access and Delivery:** Provide improved access to and dissemination of information to increase public knowledge and awareness of agricultural research, to aid technology transfer, and to speed up sharing of new knowledge.
- **Commercialize Research Results:** Develop technology transfer systems that lead to commercialization of research results by industry.

Performance Measures

- Experimentally demonstrate the successful operation of small-scale production and processing systems, evaluate small-scale animal production systems, and enhance high-value agricultural products.

- Make information on ARS research results and inventions available electronically via the Internet and similar resources.
- Increase use of marketing techniques in targeting of public information and technology transfer products and activities.
- Provide more cost-effective and efficient public information and technology transfer.
- Research programs include information and technology transfer considerations.
- Provide small businesses with contacts and information on the programs available from public and private sources.
- Expand the types of agreements used by ARS and delegate signatory authority to the lowest feasible level.

Management Initiatives

Under the Departmental reorganization of 1994, each mission area was required to consolidate all of its administrative and financial management activities. In the REE mission area, ARS was designated as the lead agency providing administrative and financial management services to the Office of the Under Secretary and the four REE agencies. The ARS Administrative and Financial Management (AFM) staff developed an internal strategic plan, based on customer input from all four REE agencies, detailing how services would be provided. The AFM strategic plan provides management support for the Office of the Under Secretary REE and all four REE agencies. The AFM plan links to the ARS strategic plan through initiative 3.

■ Management Initiative 1

Support Education: Support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States Agriculture.

ARS has a very limited role to play in directly supporting higher education. The agency provides training opportunities for graduate and postdoctoral students to enable them to gain valuable knowledge and experience. Some of these scientists are eventually hired as full-time employees where they serve to maintain and enhance the agency's core scientific capabilities. Most go on to serve U.S. agriculture in other Federal, State, and local agencies, private industry, or academia. See initiative 3, key task 4. ARS, through the programs and services of the National Agricultural Library, provides access to information for institutions of higher education, their faculties, researchers, and students. See initiative 2. In addition, ARS supports public information, outreach, extension, and educational activities. All of the activities relating to this initiative are cross-cutting in nature and are reflected in the strategies and performance measures under the 5 ARS goals and initiatives 2 and 3.

■ Management Initiative 2

National Agricultural Library: Ensure and enhance worldwide access to agricultural information through the programs of the National Agricultural Library (NAL).

ARS, through the programs and services of the National Agricultural Library, will ensure that agricultural information essential to the Nation is acquired, organized, disseminated, and preserved for current and future use and that appropriate advances are made to improve access to such information. The performance measures in extension, outreach, education, and library services and in higher education under each of the five ARS goals relate to the work of NAL.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- Access to information: Collect, organize, and provide access to information that supports agricultural programs and responds to information needs.
- Meet Customer Needs for Information: Anticipate and provide information products and services, including educational programs, that enable NAL's diverse customers to identify, locate, and obtain desired information on agricultural topics.
- Preservation of Significant Materials: Preserve significant and important works in agriculture and the fields related to agriculture to ensure availability of NAL's collections to current and future generations.

Performance Measures

- Implemented selection guidelines for the electronic resources to be acquired and used by NAL.
- Expanded representation of electronic formats such as Internet resources, on-line databases, and digital documents in AGRICOLA (NAL's bibliographic database of references to the literature of agriculture), and NAL's on-line catalog.
- A gateway is provided to a large body of electronic information on agriculture over a network such as the Internet.
- Demonstrate increased use of agricultural information by institutions of higher education.
- The time for processing requests for services and delivering the information requested is further reduced.
- The gap between the time that information is published and made available in NAL-produced databases is further reduced.
- Expanded provision of Internet and other technology-related training programs for NAL customers.
- Establishment of a national archive for agricultural literature that serves as a centralized storage facility for archival copies prepared by cooperators in the program.
- Development of a program for monitoring quality of electronically archived materials to ensure that the data remain accessible.

■ Management Initiative 3

Creative Leadership: Promote excellence, relevance, and recognition of agricultural research through creative leadership in management and development of resources, communications systems, and partnerships with our customers and stakeholders.

ARS research administrators, research leaders, and scientific staffs are responsible for promoting the excellence, relevance, and recognition of ARS research programs as part of the U.S. agricultural research community. This includes exercising leadership in developing a national research agenda, strengthening relationships with States and private partners, and effectively managing the agency's research infrastructure to enhance its core capacity for agricultural research.

Time Frame for Completion

Ongoing

Strategies for Achieving the Management Initiative

- **Develop Research Agenda:** Identify ARS program priorities and core research capabilities and use them to provide leadership in development of the coordinated REE and national research agendas.
- **Civil Rights:** ARS is committed to the principal of civil rights and the implementation of the Civil Rights Action Team Report. The ARS Civil Rights Staff (CRS) recognizes that systematic communication is important as a means of ensuring that its services meet the expectations and needs of its customers/stakeholders, including managers, supervisors, and employees.
- **Additional Funding:** Encourage acquisition of additional funding to improve ARS programs and priorities.
- **Customer Service:** Improve customer service.
- **Management of Facilities:** Provide appropriately equipped Federal facilities required to support the research and information activities of ARS into the next century.
- **Maintenance of Core Research Capabilities:** Develop and implement comprehensive human resource systems and policies to support and enhance ARS' core research capabilities while maintaining the flexibility to shift research and form interdisciplinary teams to address emerging problems.
- **Provide Administrative Support to REE:** Serve as the lead agency in providing administrative and financial management services for Research, Education, and Economics.
- **Program Excellence and Relevance:** Ensure excellence and relevance of ARS programs through a variety of comprehensive reviews.

Performance Measures

- The annual performance plan is delivered on time.
- Meet REE deadlines for submission of material for inclusion in the coordinated research agenda. Annual conferences of public and private individuals are convened to discuss major researchable issues in agriculture and to articulate approaches to addressing these problems.
- Rapid responses to crises.
- Written policies and guidance to facilitate implementation of the civil rights program.

- Improve all aspects of the Title VII program, which includes EEO training, data collection, and monitoring and evaluation.
- Training provided and effectiveness measured by data collection and monitoring.
- Partnerships are established.
- Procedures are implemented.
- Outside support increases.
- Improved customer satisfaction.
- Customer needs are identified.
- Criteria and priorities identified.
- Identify core capability requirements and develop a scientific staff to meet long-term research needs.
- Establish a database of ARS experts by discipline and research areas of expertise.
- Train 1,300 postdoctoral students, and competitively select 10 percent to fill full-time positions.
- Customer participation in planning processes.
- Strategic plan is developed and communicated to REE customers.
- Internal and external peer reviews are conducted on all research projects before implementation.
- Review of the productivity, quality, and impact of individual scientists is conducted as scheduled in the Research Position Evaluation System (RPES).
- Program reviews are conducted periodically, and programs are sustained or redirected as appropriate.

Linkage of Goals to Annual Performance Plan

As the strategic plan is implemented, the ARS research activities—both at the project and national program levels—will be linked to specific strategies and performance measures, which relate directly to the ARS objectives which in turn support the broad, longer term goals. An annual performance plan will be prepared each fiscal year to accompany the ARS budget request. The plan will consist of annual performance measures directly linked to the goals, objectives, and strategies contained in the ARS strategic plan. It will outline annual increments of the key strategies contained in the strategic plan and any additional strategies that are required to implement ARS objectives in a given year. The annual performance plans will specifically identify priorities, products, technologies, management practices, processing techniques, and other measurable activities and milestones (that is, they are tangible entities/activities that will be accomplished in a given fiscal year and therefore are measurable) that demonstrate progress towards reaching the longer term goals. All or most of the performance measures used in this plan will also be used in the annual performance plan. However, additional or different measures may be used in any given year to report on priority concerns related to the goal or to make use of new data that has become available. Results will be described in the annual performance report.

Goals 1, 4, and 5 are linked to the following budget program activities: Soil, Water, and Air Sciences; Plant Sciences; Animal Sciences; Commodity Conversion and Delivery; Human Nutrition; and Integration of Agricultural Systems. Goal 2 is also linked to the above except Human Nutrition. Goal 3 is aligned with Plant

Sciences; Animal Sciences; Commodity Conversion and Delivery; and Human Nutrition. Management Initiative 2 is linked to the Agricultural Information and Library Services budget program activity.

Resources Needed

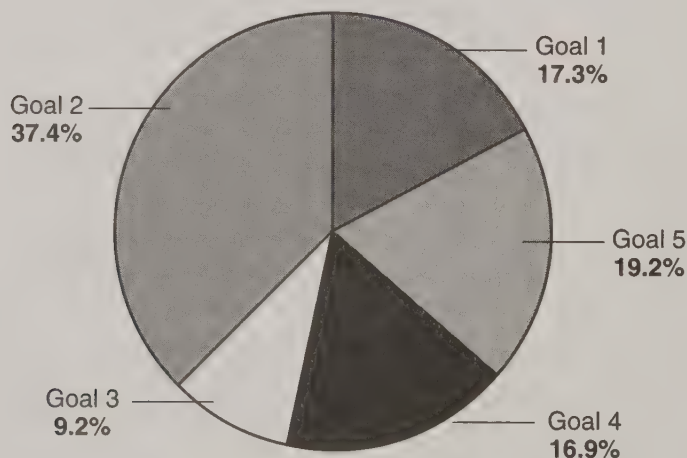
Human Resources

ARS will need to continue using innovative approaches to human resources management to attract and retain a diverse, critical core scientific, technical, and support capability. To meet the agency's human resources requirements and maintain the quality, relevance, diversity, and excellence of its core research programs, ARS must ensure continued innovations in human resources management by participating in activities such as the USDA personnel Demonstration Project and the Research Position Evaluation System as a part of its overall strategic plan.

Fiscal Resources Required to Fully Accomplish the Expectations of the ARS Strategic Plan

To successfully accomplish the goals established in the ARS strategic plan, the agency will need to maintain a stable level of human, fiscal, physical, and information resources, adjusted for inflation. Over the last decade of gradual downsizing, the agency has carefully sharpened its focus on its mission. ARS has eliminated research activities that were deemed to be less critical during this time. At the same time, the agency has worked to enhance its core scientific research capabilities by hiring, retaining, and promoting its most productive employees. Achieving the goals of this 5-year plan with resources and scientist years (SY's) lower than those available to the agency in FY 1997 will be very difficult.

Estimated FY 1997 Budget by Goal



Note: The relative values on this chart are approximate and may change from year to year as priorities change.

Program Evaluation

ARS currently conducts a series of review processes designed to ensure the relevance and quality of its research work and to maintain the highest possible standards for its scientists. This process involves customer input to help keep the research focused on the technical needs of the American food and agricultural system. Each of the approximately 1,100 research projects undergoes a thorough merit peer review before new or renewed activities are begun. All ARS employees, including the scientific workforce, are subject to annual performance reviews, and the senior scientists undergo a rigorous peer review (Research Position Evaluation System—RPES) on a 3- to 5-year cycle. These processes ensure the high quality of the ARS scientific workforce.

ARS has recently restructured the way it organizes and manages its national research programs, and the National Program Staff is now operating under this new structure. When the current programmatic plans are fully implemented, ARS will have aggregated its 1,100 research projects into some 25 national programs that will be managed by multidisciplinary teams of National Program Leaders (NPL's). The national programs will focus the work of the agency on achieving the goals defined in the ARS strategic plan. Beginning in FY 2000, ARS envisions a series of program reviews designed to ensure the quality, relevancy, effectiveness, and productivity of the work being done in each national program. The annual performance plans, required under GPRA, will also serve to keep the work of the agency focused on achieving the goals established in this strategic plan. The aggregate effect of all these changes will be a system that will measure more effectively progress towards established goals and outcomes. ARS did not use program evaluation data in developing this strategic plan.

The Role of External Entities

ARS contracted for logistical support, training, and facilitation for the five visioning conferences to solicit input from customers, beneficiaries, stakeholders, and partners. The SPT relied heavily on these conferences in developing the ARS strategic plan. The ARS plan was developed, revised, and refined exclusively by Federal employees selected from various components of the agency.

ARS

Cooperative State Research, Education, and Extension Service (CSREES) Strategic Plan

CSREES

Table of Contents

Introduction	7-41
Key External Factors	7-42
Mission	7-43
Goals	7-44
Management Initiatives	7-51
Linkage of Goals to Annual Performance Plan	7-55
Resources Needed	7-55
Program Evaluation	7-56
Role of External Entities	7-56

Introduction

The Cooperative State Research, Education and Extension Service (CSREES) is a unique Federal agency. In USDA, the agency has primary responsibility for providing linkages between the Federal and State components of a broad-based, national agricultural research, extension, and higher education system. Focused on national issues, its purpose is to represent the Secretary of Agriculture and the intent of Congress by administering formula and grant funds appropriated for agricultural research, extension, and higher education. In addition to its national leadership in setting research and education priorities, it provides a means of feedback from the States to Congress and the executive branch of Government, communicating local, regional, and national priorities.

This plan represents the cooperative work of administrative and program staff and reflects the planning of CSREES and its partners with input at the Federal, State and local levels. It assures a focus on planning and on attaining measurable outcomes and net impacts in the CSREES program areas and provides for accountable management of funds in response to broad national and State priorities.

This plan was developed by Federal CSREES staff in consultation with its university partners. For the purpose of implementing the GPRA specific coordinating mechanisms were established. One such mechanism was the establishment of a Partnership Working Group comprised of representatives of the various institutions listed in the section on Legislative Mandates. This group confers via monthly phone conferences and periodic meetings to review work done and to advise on its appropriateness. Work is also reviewed with the various committees of the land-grant University system (Research, Extension, Higher Education) to inform them and to obtain their advice on implementation concerns. Finally, a website is maintained for disseminating information more widely and an e-mail address is maintained for the submission of questions and concerns regarding implementation.

In administering an annual budget of approximately \$908 million for FY 1996, the Cooperative State Research, Education, and Extension Service (CSREES) had a staff of approximately 380 Washington, DC based staff. Mechanisms for allocating the budget to eligible universities and organizations include formula funding, special projects, earmarked grants and competitive grants. Through the land-grant university partnership, 75 universities work in close cooperation with CSREES, employing more than 9,500 scientists, and 9,600 extension educators and engaging nearly 3 million volunteers supporting activities in the 50 States (3,150 counties), the District of Columbia, and the six territories (Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas, and Micronesia). The scientific and educational staff base of the land-grant universities is expanded through the participation of scientists and educators from other non-land-grant universities and private sector organizations. These professionals participate in a number of competitive grant opportunities related to the research and education mission of CSREES. Research and education programs respond to national, regional, and State needs, and the American consumer benefits in the form of safe, wholesome, and affordable food, fiber, and other renewable resources. At these institutions, approximately 100,000 students are trained each year in academic programs in agriculture, human development, and natural resources.

The Federal formula funds managed by CSREES constitute a powerful force in bringing about inter-State cooperation and Federal/State collaboration in the planning and conduct of agricultural research. Accordingly, the impact of Federal formula funds is far greater than would be expected solely on the basis of the amount of funds provided. Each Federal dollar appropriated for research, education, and extension leverages 4-5 State, local, and private dollars. This leveraging of resources among the

partners maximizes the efficiency of the Federal investments in research and education and ensures that support from other public and private sources focuses on problems and issues important to maintaining competitiveness of U.S. agriculture in the global marketplace. In short, Federal funds form the “glue” of the Federal/State partnership.

Legislative Mandates

Research and education programs administered by CSREES are USDA’s principal entree to the university system of the United States for the purpose of conducting agricultural research and education programs as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a-361i); the Smith-Lever Act of May 8, 1914, as amended; the Cooperative Forestry Research Act of 1962, as amended (16 U.S.C.582a-7); Public Law 89-106, Section (2), as amended (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq). Through these authorities, USDA participates with State and other sources of funding to encourage and assist the State institutions in the conduct of agricultural research and education through the State Agricultural Experiment Stations and the Cooperative Extension Service of the 50 States, the District of Columbia and the territories; approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University; Colleges of Veterinary Medicine; colleges of agriculture; schools and colleges of family and consumer services; Native American Land-Grant Institutions; Hispanic-Serving Institutions; and other eligible institutions. The funds appropriated provide Federal support for research, education, and other programs at these institutions.

Partnerships and Coordination with USDA and Other Agencies

CSREES serves as the major USDA link to research and education program support provided by the land-grant university community and provides a unified Federal voice to represent the research, higher education, and extension interests of land-grant institutions in dealing with other agencies within the Federal Government. CSREES provides national leadership to emphasize national program priorities; to foster collaboration; to avoid duplication of effort; and to provide access to, transfer of, and dissemination of education and research-based information targeted to customer needs. To coordinate these efforts, CSREES conducts a number of consultations with Federal agencies with similar research and education interests. These collaborations ensure coordination of programs at the national level, as well as, the sharing of resources that are mutually beneficial to the agencies, customers and stakeholders. Agencies include: the Agricultural Research Service (ARS), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), Forest Service (FS), National Institutes of Health (NIH), Food and Drug Administration (FDA), Food Safety Inspection Service (FSIS), Environmental Protection Agency (EPA), Health and Human Services, etc.

Key External Factors

CSREES, as a Federal agency, is both the catalyst and the focal point for national programs of research, higher education, and extension conducted throughout the land-grant university system and by other partners with a demonstrable capacity to contribute to advances in the food and agricultural sciences. A number of domestic and international factors, including economic, social, political, technological, informational, educational, and environmental trends, will influence the implementation and evaluation of the CSREES strategic plan.

An increasing portion of Federal and State-appropriated funds will be distributed competitively. The need to justify the continuation of science-based programs through applied research and impact assessment will increase. Inside and outside government, the debate over the Federal Government's role in applied research and technology development will continue, as will concern over the amount of funds expended on fundamental research. Public concern about the quality and validity of scientific research and public education also is expected to continue, as is public interest in environmental issues and demand for an economical, safe, and wholesome food supply. Progress will be made in conveying the impacts of scientific research and its applications to the public, thereby bolstering public trust in science.

A number of other factors external to USDA and CSREES also will affect the agency's environment. Continuing increases in both global population and per-capita incomes over the next 10 years are expected to result in a strong increase in the demand for food. This development could have a dramatic impact on many aspects of American agriculture. The U.S. economy is expected to grow steadily, with the Gross Domestic Product outpacing inflation each year for the next decade.

Pressures on Federal program benefits will result from changing Federal policies, particularly those arising from revisions of the Farm Bill; the need to comply with new regulations; international trade agreements; and continuing constraints on budgets to support research and education. The current focus on global environmental issues and their impact on agriculture is expected to continue. Similarly, budget constraints are likely to necessitate reduced state and local funding for research, higher education, and extension activities at land-grant universities and other institutions.

The debate over environmental, agricultural, and social issues will challenge policy makers to find a balance among regulatory, educational, and voluntary approaches to attainment of an economically, environmentally, and socially sustainable agriculture. CSREES will work with university partners, other Federal agencies and private sector organizations, as appropriate, to address these challenges successfully. To resolve issues of sustainable agriculture under complex environmental and social conditions requires well-educated and well-informed producers, processors, and consumers of food, fiber, and other natural products.

The technological advances of the 20th century set the stage for CSREES and its partners to enhance access to the information base of our land-grant partners. Given societal change and the direction of the technological future, all citizens will need ready access to lifelong research-based information. However, the expansion of the volume of information and the inequalities of access to education and information via communications technology comprise two major issues confronting CSREES and its partners. CSREES will be challenged to help all citizens interpret research information on topics in the food and agricultural arena; to enable policy makers to respond to critical concerns; and to link researchers, customers, organizations, and policy makers nationwide. Research and education are viewed as essential to the effective resolution of these issues.

Mission

The mission of CSREES is to achieve significant and equitable improvements in domestic and global economic, environmental, and social conditions by advancing creative and integrated research, education, and extension programs in food, agricultural, and related sciences in partnership with both the public and private sectors.

Goals

Time Frame for Completion of Goals

All goals within the strategic plan will be ongoing.

The agency's strategic plan was developed to cover 1997-2002. In understanding these strategies, it is important to recognize that CSREES does not conduct research and education programs through its Washington, D.C. based staff, but serves as an enabler. In this role, the agency is responsible for interpreting congressional authorizations and appropriations through policies and procedures that ensure that the Federal investment in research and education are targeted at national issues. These procedures utilize a national review of program quality, scientific merit, and relevance. This permits the scope of research and education programs conducted by externally based scientists and educators to be planned, evaluated, and reported. GPRA expects that annual performance plans will provide milestones by which to measure accomplishments using strategies and performance measures to produce impacts and benefit all Americans.

Strategies and Performance Measures

The agency strategic plan provides a broad look at issues and plans for the future. In the strategic plan performance indicators are described generally as outputs and outcomes. Success in responding to the goals will: restore, preserve, and sustain the environment and natural resource base involved in the production of food, fiber and forest products; ensure the health and well-being of citizens by providing safe, wholesome, nutritious food; provide food, fiber and other agricultural products at affordable prices while meeting the needs and desires of an increasingly diverse consumer population; maintain and enhance the competitiveness of U.S. food and fiber industry in the international marketplace; and enhance the vitality of rural communities and families.

The State partners will supply CSREES with indicator number in an electronic reporting system developed by CSREES in November 1997. Following a review of State plans and an aggregation thereof by CSREES, these numbers will become available by February 1998 and annually thereafter.

Goal 1

An agricultural production system that is highly competitive in the global economy

■ Objective 1.1

To produce new and value-added agricultural products and commodities.

Strategies to Achieve the Objective

- Convert processing byproducts to beneficial uses
- Enhance food quality and value
- Develop new and improved non-food products

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on new and value-added commodities and products in U.S. agriculture.

- Annually increase agricultural producer awareness, understanding, and information regarding the production of new and value-added commodities and products in U.S. agriculture in which CSREES partners and cooperators play an active research, education, or extension role.
- Annually increase the total number of new and value-added U.S. agricultural commodities and products introduced into domestic and foreign markets in cooperation with CSREES partners and cooperators.
- Annually increase the total dollar value of new and value-added U.S. agricultural commodities and products introduced into foreign markets.

■ Objective 1.2

To increase the global competitiveness of the U.S. agricultural production system.

Strategies to Achieve the Objective

- Protect plants and animals for sustained productivity
- Improve productivity through the development of alternative plant and animal management systems
- Understand fundamental biological processes as the basis for future productivity gains
- Develop integrated and sustainable agricultural production systems

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on improving the productivity and global competitiveness of the U.S. agricultural production system.
- Annually increase agricultural producer awareness, understanding, and information on improving the productivity and global competitiveness of the U.S. agricultural production system in which CSREES partners and cooperators play an active research, education, or extension role.
- Increase the productive efficiency of the U.S. agricultural production system.

■ Objective 1.3

To recruit and educate a diverse set of individuals for careers as future scientists, professionals, and leaders who are well-trained in agricultural sciences.

Strategies to Achieve the Objective

- To strengthen the capacity of higher education institutions to develop future scientists, professionals, and leaders in agricultural production sciences and related disciplines who will more effectively contribute to the productivity and global competitiveness of the U.S. agricultural production system.

Performance Measures

- Meet the annual demand in the market for individuals formally educated and trained at institutions of higher education as scientists, professionals, and leaders in agricultural production sciences and related disciplines.

■ Objective 1.4

To improve decision making on public policy issues related to the productivity and global competitiveness of the U.S. agricultural production system.

Strategies to Achieve the Objective

- Identify key policy issues relating to the competitiveness of U.S. agriculture, and develop alternatives that improve performance and productivity.

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on public policy issues affecting the productivity and global competitiveness of the U.S. agricultural production system.
- Annually increase the effectiveness of constituent and citizen participation on public policy issues affecting the productivity and global competitiveness of the U.S. agricultural production system.

Goal 2

A safe, secure food and fiber system

■ Objective 2.1

To improve access to an affordable, healthful, and culturally relevant food supply.

Strategies to Achieve the Objective

- Identify market and social constraints that improve food access and affordability by all citizens.

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on food accessibility and affordability.
- Annually increase consumer awareness, understanding, and information on food accessibility and affordability in which CSREES partners and cooperators play an active research, education, or extension role.
- Annually increase the effectiveness of constituent and citizen participation on public policy issues affecting food security (i.e., food access, affordability, and recovery).

■ Objective 2.2

To improve food safety by controlling or eliminating foodborne risks.

Strategies to Achieve the Objective

- Provide knowledge and means for production, processing and storage of foods to ensure their safety at all levels of the food chain.

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on food safety and foodborne risks and illnesses.
- Annually increase awareness, understanding, and information regarding food safety and foodborne risks and illnesses in which CSREES partners and cooperators play an active research, education, or extension role.
- Strengthen the capacity of higher education institutions to develop future scientists, professionals, and leaders in food sciences who will more effectively contribute to a greater understanding of food safety, including foodborne risks and illnesses.

Goal 3

A healthy, well nourished population

■ Objective 3.1

To optimize the health of consumers by improving the quality of diets, the quality of food, and the number of food choices.

Strategies to Achieve the Objective

- Target optimal nutrition for individual health.
- Design foods for healthy diets.
- Develop more nutritious plant and animal products for human consumption.

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on human nutrition, and family and consumer sciences.
- Annually reduce health risk factors through non-formal educational programs to improve dietary habits and physical exercise practices in which CSREES partners and cooperators play an active research, education, or extension role.
- Annually increase consumer awareness, understanding, and information on dietary guidance and appropriate nutrition practices in which CSREES partners and cooperators play an active research, education, or extension role.
- Strengthen the capacity of higher education institutions to develop future scientists, professionals, and leaders in human nutrition, and family and consumer sciences who will more effectively contribute to understanding issues related to human nutrition, and family and consumer sciences.
- Meet the annual demand in the market for individuals formally educated and trained at institutions of higher education as scientists, professionals, and leaders in human nutrition, and family and consumer sciences and related disciplines.

■ Objective 3.2

To promote health, safety, and access to quality health care

Strategies to Achieve the Objective

- Work with other health care providers to ensure that information is provided and made available in a timely manner to influence health care decisions.
- Develop and transfer effective nutrition intervention strategies.

Performance Measures

- Annually increase the research and knowledge base made available by CSREES partners and cooperators on health sciences and health promotion.
- Annually improve individual and family health status through non-formal health education and promotion programs in which CSREES partners and cooperators play an active research, education, or extension role.
- Annually improve the level of individual and family safety (or reduce risk levels) from accidents in homes, schools, workplaces, and communities.
- Strengthen the capacity of higher education institutions to develop future scientists, professionals, and leaders in health sciences who will more effectively contribute to understanding issues related to health sciences and related disciplines.
- Meet the annual demand in the market for individuals formally educated and trained at institutions of higher education as scientists, professionals, and leaders in health sciences and related disciplines.
- Annually increase the availability of health education programs to communities in which CSREES partners and cooperators play an active research, education, or extension role.
- Annually increase the effectiveness of constituent and citizen participation on public policy issues affecting health community decision making.

.....

Goal 4

Greater harmony between agriculture and the environment

■ Objective 4.1

To develop, transfer, and promote the adoption of efficient and sustainable agricultural, forestry, and other resource conservation policies, programs, technologies, and practices that ensure ecosystems integrity and biodiversity.

Strategies to Achieve the Objective

- Develop techniques and methods to conserve and enhance the quality of air, soil, and water resources.
- Increase understanding of ecosystem management to conserve and enhance biodiversity.

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on environmental sciences and agriculture, including conserving, maintaining, and protecting ecosystem integrity and biodiversity.

- Annually ensure ecosystem's integrity and biodiversity.
- Annually increase agricultural producer awareness, understanding, and information regarding the adoption of agricultural production practices that sustain and/or protect ecosystem integrity and biodiversity in which CSREES partners and cooperators play an active research, education, and extension role.
- Strengthen the capacity of higher education institutions to develop future scientists, professionals, and leaders in environmental sciences and related disciplines who will more effectively contribute to the development of agricultural production practices that sustain and/or protect ecosystems and bring into greater balance agricultural production activities and biodiversity needs of the surrounding ecosystem.
- Meet the annual demand in the market for individuals formally educated and trained as scientists, professionals, and leaders in environmental sciences and related disciplines.

■ Objective 4.2

To develop, transfer, and promote adoption of efficient and sustainable agricultural, forestry, and other resource policies, programs, technologies, and practices that protect, sustain, and enhance water, soil and air resources.

Strategies to Achieve the Objective

- Recover and use waste resources through improved agricultural and forestry production systems.
- Develop and disseminate resource policies that value environmental and productivity needs.

Performance Measures

- Annually increase producer adoption of agricultural production practices that conserve and/or protect surface and groundwater supplies on or adjacent to agricultural production sites or land uses.
- Annually increase producer adoption of agricultural production "best practices" that conserve, protect, and/or enhance the soil resources on or adjacent to agricultural production sites or land uses.

■ Objective 4.3

To improve decision making on public policies related to agriculture and the environment.

Strategies to Achieve the Objective

- Develop resource management decision systems.

Performance Measures

- Annually increase the research and knowledge base available from CSREES partners and cooperators on public policy issues affecting agricultural production, the environment, and ecosystem integrity and biodiversity.
- Annually increase the effectiveness of constituent and citizen participation on public policy issues affecting agricultural production, the environment, and ecosystem integrity and biodiversity.

Goal 5

Enhanced economic opportunity and quality of life for Americans

■ Objective 5.1

To increase the capacity of communities and families to enhance their own economic well-being.

Strategies to Achieve the Objective

- Develop concepts, technologies and management practices that will enhance agricultural and rural communities.
- Improve decision systems that strengthen communities and families.

Performance Measures

- Annually increase the research and knowledge-base available from CSREES partners and cooperators on the economic well-being of communities and their citizens.
- Annually increase economic opportunities in communities through economic development programs in which CSREES partners and cooperators play an active research, education, and extension role.
- Annually improve the financial status of families through financial management education programs implemented in which CSREES partners and cooperators play an active research, education, or extension role.
- Strengthen the capacity of higher education institutions to develop future scientists, professionals, and leaders in family, consumer, and community economics who will more effectively contribute to greater understanding of economic issues.
- Meet the annual demand in the market for individuals formally educated and trained at institutions of higher education as scientists, professionals, and leaders in family, consumer, and community economics and related disciplines.

■ Objective 5.2

To increase the capacity of communities, families, and individuals to improve their own quality of life

Strategies to Achieve the Objective

- Develop and demonstrate alternatives to empower people for economic and social viability.

Performance Measures

- Annually increase the incidence of caring communities resulting from non-formal education programs in which CSREES partners and cooperators play an active research, education, or extension role.
- Annually increase the incidence of strong families resulting from non-formal education programs in which CSREES partners and cooperators play an active research, education, or extension role.

Management Initiatives

The benefits of university-based agricultural research, education, and extension programs are derived not only from Federal financial support coupled with the management, scientific, and programmatic efforts of State and county professional and support staff, but also from the program management, direction, and oversight provided by Federal staff. CSREES will take the following strategic actions to steer the direction and assure the quality of Federal investment in the decentralized, university-based, agricultural knowledge system.

Time Frame for Completion

All goals within the strategic plan will be ongoing.

The agency's strategic plan was developed to cover a period of 5 years. This permits a period of time in which research and education programs can be planned, evaluated and reported. The language of the law expects that annual performance reports will provide milestones by which to measure accomplishments using Performance Measures.

■ Management Initiative 1

Designing and implementing new programs and funding mechanisms to facilitate the transition of American agriculture to a world market base.

International trade agreements such as the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA), the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, improvements in international communications and finance, and the emergence of new agricultural markets and suppliers are working in concert to fully integrate U.S. agriculture into world markets and away from decisions based on commodity programs. To succeed in this environment, producers and the communities in which they live need the benefits of agricultural science and education to provide a comparative advantage.

Strategies for Achieving the Management Initiative

- Develop operating policies and procedures that provide an implementation strategy for new CSREES managed grant procedures.
- Provide program linkages between CSREES, other Federal agencies, and the university community.

Performance Measures

- Operating rules and protocols for the Fund for Rural America.
- Jointly developed (with the National Agricultural Research, Extension, Education, and Economics Advisory Board) program description and request for proposals for the Fund for Rural America.
- Active, interdisciplinary, interfunctional projects to transfer technology from agricultural laboratories to producers, processors, distributors, and consumers.
- Long-term economic growth, and sustained well-being of rural communities.

■ Management Initiative 2

Linking university, private, and Federal scientific and programmatic expertise for the purposes of planning innovative and cost-effective programs.

The long-term cooperative relationship between land-grant universities, Federal laboratories, and other research and educational institutions with CSREES, and new legislation in the FAIR Act of 1996, provide a unique opportunity to jointly plan and deliver programs.

Strategies for Achieving the Management Initiative

- Develop a multi-institutional, multi-state, multi-agency strategy to support research and education program priorities.
- Promote excellence, relevance, and usefulness in food and agricultural research.
- Incorporate recommendations from the Civil Rights Action Team Report in the delivery of cost-effective programs.
- Demonstrate cost effectiveness of CSREES administered programs.

Performance Measures

- Form problem-solving task forces within CSREES and between CSREES and its partners and other Federal agencies, public, and private organizations to address high-priority problems.
- Increase the use of Interagency Personnel Agreements (IPA), shared faculty, and term appointment opportunities for university and Federal laboratory scientists and educators.
- Increase the collective knowledge of system and agency priorities and capacity.
- Develop cost-effective staffing across a wide range of disciplines and skills.
- Institute rapid responses to critical issues through innovative program design and delivery.

■ Management Initiative 3

Brokering the capacity of agricultural scientists and educators to address critical public issues in related fields.

The boundaries of agricultural science and education are expanding as the expertise of university-based professionals in the field widens and deepens. CSREES can help utilize the capacity in agriculture to address current and emerging issues related to the environment, economic development, materials science, human health, and related areas by linking to the missions of Federal and private programs in these fields. The agency has broad authority to manage research and education funds to the land-grant universities and other eligible institutions, enter memoranda of understanding, and conduct planning and coordination activities to leverage resources to respond in a unified, effective way to critical issues.

Strategies for Achieving the Management Initiative

- Develop strategies that facilitate dialogue between USDA and other Federal agencies to broker the capacity of land-grant institutions in providing leadership in research and education endeavors in the food and agricultural sciences and related areas.

Performance Measures

- Develop joint plans across programs to address critical issues.
- Increase resources to land-grant universities to support research and education.
- Initiate innovative, cost-effective solutions to public problems such as environmental degradation, public health, rural development, integrated pest management, water quality, and food safety.

■ Management Initiative 4**Continuous review of programs, projects, and processes.**

The agency will expand the research review process to comprehensive program reviews, addressing formula, competitive and noncompetitive research, extension, education, and buildings and facilities grants, within a university department, program, or laboratory. It also will establish a program management protocol review process for internal assessment of program objectives and implementation procedures for each major special grant, Smith-Lever 3(d) program, and other authorized, funded programs. In addition, CSREES will develop new post-award management procedures to assure oversight of the agency's 6,000 active awards.

Strategies for Achieving the Management Initiative

- Establish procedures that insure ongoing program reviews to insure program relevance, excellence and usefulness.

Performance Measures

- Provide expert guidance to university program administrators, scientists, and educators for efficient management of projects.
- Develop a coordinated annual management plans for each major program administered by the agency.
- Establish codified procedures to guide programmatic, financial, and technical oversight of grants and awards.
- Minimize duplicative research and education programs to meet high standards for scientific merit, relevance to important issues, and usefulness in solving State, regional, and national problems.
- Ensure that Federal expenditures are put to best use; responsive efforts across programs or within institutions.
- Provide guidance for the redirection of resources to respond to emerging issues of national importance.

■ Management Initiative 5**Improved management information systems.**

Currently the agency supports the Current Research Information System (CRIS), grants-tracking software, and Extension plans of work. These systems need to be updated and consolidated or coordinated to expedite response to questions about agency programs, provide data useful in assessing program outcomes, and facilitate information sharing within the agricultural knowledge system.

Strategies for Achieving the Management Initiative

- Develop a web based planning and reporting system in consultation with the land-grant university system that provide a seamless interface with GPRA planning and reporting.

Performance Measures

- Provide guidance for informed decisions on future programs.
- Assess program impacts.
- Develop up-to-date management information system(s).
- Ensure that research-based guidance is available to producers, processors, traders, policy makers, consumers, educators, and others interested in agriculture.
- Provide current information about trends, issues, projects, and programs in agricultural research, education, and extension leading to timely response to inquiries, rapid resolution of problems, and reduction in duplication of effort.
- Ensure public accountability for programs.

The agency, in collaboration with Federal and university partners, will review and improve information management systems, and collaborate to develop short- and long-term performance measures.

■ Management Initiative 6**Civil Rights**

The Agency will work with university partners and other entities that utilize Federal funds for research and education programs to assess the extent to which these funds comply with Equal Opportunity Civil Rights guidelines. A draft template has been designed to assist in developing a data base that is responsive to this issue. The agency's Civil Rights Staff will provide oversight for this effort in the development of output and outcome measures using recommendations from the Department's Civil Rights Action Team (CRAT) Report.

Strategies for Achieving the Management Initiative

- Identify and remove employment barriers to equitable recruitment, hiring, promotion, training, and separation rates for under represented groups.
- Increase the participation of under represented groups serving on program planning and advisory committees.
- Advise recipients of program fund availability and requirements of nondiscrimination on the basis of race, color, national origin, sex, or disability.

Performance Measures

- Provide annual conflict management training for CSREES staff and State partners.
- Review composition of panels and review teams to ensure ethnic and gender diversity.
- Document program and ethnic diversity among programs managed by land-grant university partners involved in research and education programs.
- Identify and remove employment barriers to equitable recruitment, hiring, promotion, training, and separation rates for under represented groups within CSREES and provide guidance on same to land-grant institutions.

Linkage of Goals to Annual Performance Plan

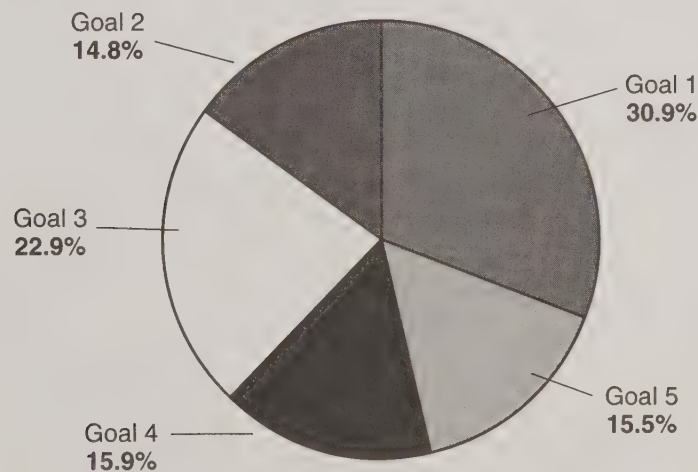
The GPRA strategic plan has Mission Area goals that are the same as the goals for the agency. This provides a systematic procedure to link with a performance plan that responds to the accountability issues mandated in the Government Performance and Results Act (Results Act). Because of the unique role of CSREES in the development and management of the performance plan, a number of conferences, workshops, and orientation sessions have been held with the land-grant university community to ensure that there is a program link between what they do in a distributive system to the agency goals. The agency goals are then linked with the broader goals established for the Department of Agriculture. The annual performance plans will address these goals and the annual performance reports will demonstrate how the allocation of Federal funds addresses issues that respond to these important goals.

Most of the performance measures used in this plan will also be used in the annual performance plan. However, additional or different measures may be used in any given year to report on priority concerns related to the goal or to make use of new data that has become available.

Resources Needed

The resources requested are to support the broad legislative and program mandates of the agency. The increased funds will be utilized to address the program priorities described in the goals. The reader should be aware that CSREES activities are conducted by faculty, State specialists, and other staff located at or employed by the land-grant institutions. CSREES is responsible for program and merit reviews to ensure that priorities are addressed and reported for compliance with the accountability mandates of the Government Performance and Results Act (GPRA).

1997 Resources Needed



Program Evaluation

Prior to the reorganization of 1994 which merged the two agencies (Research and Extension) a considerable number of in-depth evaluations were conducted which pertained to the agencies' program delivery capabilities as well as the results of such efforts. An example of an evaluation is a study by the National Research Council, entitled "Colleges of Agriculture at the Land Grant Universities--Public Service and Public Policy." The study provided substantive recommendations for change in the land-grant university system. Although the evaluations were not used explicitly, the results of these efforts did form part of the background that was drawn upon in formulating the plan and its components. Similar efforts will be initiated in the coming fiscal year with such efforts being organized around each of the five goals. In addition to the evaluation of each individual project by National Program Leaders in Headquarters, and the use of peer review panels, CSREES will undertake a critical assessment of impact indicators to insure that these indicators are aligned with issues and processes that can provide the highest level response to GPRA. In addition to its own staff, CSREES will include representatives from the land-grant universities, customers, stakeholders and other Federal agencies.

Role of External Entities

The strategic plan submitted herein was developed by agency Federal staff in consultation with their university partners. A number of consultations have taken place to ensure that programs planned and implemented at the State and county level are linked to the goals included in the agency strategic plan. This will be documented in the Annual Performance Plans prepared by the agency. This plan has been prepared entirely by State and Federal personnel.

CSREES

Economic Research Service (ERS) Strategic Plan

Table of Contents

Introduction7-59

Key External Factors7-60

Mission7-61

Goals7-61

Management Initiatives7-66

Linkage of Goals to Annual Performance Plan7-67

Resources Needed7-67

Program Evaluation7-68

Role of External Entities7-69

Document Information

Document ID: 123456789
Title: Project Report

Author: John Doe
Date: 2023-10-27
Version: 1.0

EPS

Introduction

The Economic Research Service's (ERS) niche and challenge is to provide high-quality, comprehensive, objective, relevant, timely, and accessible economic data and analysis at the national level on the broad range of agriculture, food, natural resource, and rural issues.

Legislative Mandate

In 1961, ERS was established from components of the former Bureau of Agricultural Economics (BAE) principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). ERS's portfolio was expanded to include international work with the addition of country specialists from the Office of Foreign Agricultural Relations. ERS performs work under one appropriation item—economic analysis and research. ERS's FY 1997 budget was authorized at \$53.1 million by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (Public Law 104-37).

ERS's program, in meeting its legislative mandate, has reflected the changing scope of the Department's concerns for producers, consumers, rural America, and the environment and anticipates and responds to changing public policy issues. In the 1960's, the agency provided research and analysis to support programs improving agricultural and rural conditions. In the 1970's, with Soviet Union's entry into world grain markets and concern about world food shortages and high food and energy prices, the Department's policy officials and World Board leaned heavily on ERS's analysis and forecasting of commodity and food prices. In the 1980's, U.S. and foreign policies created incentives for surplus production and low commodity prices that—combined with high domestic interest rates—led to farm financial pressures. ERS responded by examining the implications for rural places and people. ERS with its BAE roots in natural resource issues was well poised to provide analysis for the growing national interest in environmental issues. In response to national concern about nutrition and food safety, the late 1980's saw ERS initiate research on the supply and delivery of food and the social and individual consequences of inadequate or unsafe food. In the early 1990's, low inflation and improved financial conditions for farm households sustained ERS's expanded research on environmental, food safety, and nutrition issues. Increasing importance of off-farm incomes affect on rural financial conditions reinforced the agency's commitment to understand how public policy affects rural economic activity and employment.

Customers, Partners, and Stakeholders

ERS stakeholders are its customers and partners, its staff, cooperators, and contractors, and most importantly American citizens and taxpayers. The ultimate beneficiaries of ERS's program are the American people, whose well-being is improved by informed public and private decision making.

ERS has identified policy makers and key institutions who routinely make or influence public policy and program decisions. ERS shapes its program and products principally to serve these key decision makers: White House and USDA policy officials and program administrators/managers; the U.S. Congress; other Federal agencies and State and local government officials; and domestic and international commodity, environmental, agribusiness, consumer, and other groups interested in public policy issues.

ERS depends heavily on working relationships with other organizations and individuals to accomplish its mission. Key partners include: the National Agricultural Statistics Service for some kinds of primary data collection; universities for research collaboration; and the media as disseminators of ERS analyses. The following section highlights a few of the many areas of policy and program development and manage-

ment on which ERS cooperates with (and supports the missions of) USDA agencies and other agencies and departments government wide.

Crosscuts with Concerns of Other Agencies

Because ERS provides economic analysis on agriculture, food, environmental, and rural issues, its goals and objectives crosscut extensively with concerns of other USDA agencies and many other government units. The following examples illustrate just a few of the crosscutting issues on which ERS cooperates with other agencies. ERS's unique contribution in each case is the provision of external economic analysis. ERS works closely with the Foreign Agricultural Service, World Agricultural Outlook Board, and the U.S. Office of the Special Trade Representative to analyze the international agriculture and trade effects of Uruguay Round and other existing and proposed agreements. The Foreign Agricultural Service and the U.S. Agency for International Development regularly use ERS economic expertise in international technical assistance programs. ERS cooperates with the Agricultural Research Service, Food Safety and Inspection Service, Agricultural Marketing Service, and Grain Inspection, Packers, and Stockyards Administration on the pathogen reduction initiative, which includes HACCP. ERS provides economic analyses to national nutrition education, minority, and research activities which also involve the Food and Consumer Service and Food Safety and Inspection Service. ERS data and analysis on the farm sector's economic performance and agricultural commodity and food prices are essential to the U.S. Department of Commerce Bureau of Economic Analysis' production of national economic accounts. ERS works with program managers in the Natural Resources Conservation Service and Farm Service Agency to support effective, efficient implementation of the Conservation Reserve, Wetlands Reserve, and the Environmental Quality Incentives Programs and the Water Quality Initiative. Such activities bring ERS staff in close cooperation with those of the Department of the Interior and the Environmental Protection Agency, as do ERS efforts to improve understanding the economics of integrated pest management and resource conserving production practices. ERS is closely involved with the Cooperative State Research, Education, and Extension Service, the Rural Business-Cooperative Service, and the Rural Utilities Service on the Fund for Rural America and the Rural Community Enhancement Program. ERS rural-urban categorizations are essential to the Department of Health and Human Services' administration of programs in rural areas.

Key External Factors

ERS's future depends on its ability to achieve national prominence as a center of excellence for economic analysis on agriculture, food, environmental, and rural issues. Policy makers and program managers increasingly will be called to defend the efficiency and equity consequences of public policies, regulations, and programs. Recent legislation establishing the Office of Risk Assessment and Cost-Benefit Analysis within USDA is evidence of this trend that will likely place greater demands on ERS. Tighter budgets in other USDA mission areas will decrease their already limited internal ability to anticipate the economic effects of policies and programs. ERS must clearly identify its role as the intramural social science research agency at USDA, with a focus on maintaining its core analytical activities while remaining responsive to short-term information demands.

ERS will continue to be asked to do more with declining real resources as demand for information grows in a knowledge-based and increasingly complex society. However, telecommunication and computer technology developments can enhance analytical tools and improve communication with customers and partners. The agency

must continue to invest in identifying useful new information technologies and integrating them into agency operations. Innovation here is key to supporting continued productivity gains, the ability to do more with fewer staff resources. Increasing flexibility in procurement and personnel regulations offers new opportunities for a more responsive, adaptive, and efficient ERS.

Changes in the larger policy context in which ERS operates will influence the content and orientation of ERS research and analysis. Changing perceptions about the role of government regulation are likely to accelerate the search for more voluntary or market-oriented measures to promote public good. The agricultural policies and programs in the 1996 Farm Bill raise new issues regarding the structure and geographic location of agricultural production, as well as the volatility of prices in response to international shocks and weather. Increasing scale and concentration of agricultural activities raise both environmental and economic issues pertaining to waste management, particularly animal product waste. Rapidly changing economic, social, and medical environments raise challenging questions about the nutritional quality and costs of good diets and their implications for individuals, society, and the food industry. International trade agreements are already shifting the focus of trade barriers away from tariffs toward issues relating to food safety and environmental quality. Continued evolution of the social, economic, and industrial structure of rural areas will change policy debates regarding the well-being of rural people and communities.

Mission

The Economic Research Service provides economic analysis on efficiency, efficacy, and equity issues related to agriculture, food, the environment, and rural development to improve public and private decision making.

Goals

ERS shares the five goals described below with the agencies in the Research, Education, and Economics mission area. ERS goals 1 and 5 advance USDA's first goal, ERS goals 2 and 3 promote USDA's second goal, and ERS goal 4 furthers USDA's third goal. ERS's objectives, tasks, and outputs contribute to the ERS goals. The continuing agency imperative is to deliver high-quality, comprehensive, objective, relevant, and accessible socio-economic analyses on the broad range of topics bounded by ERS goals and objectives. Many analyses have relevance to more than one goal and objective and include, but are not limited to, global marketing conditions, trade restrictions, agribusiness concentration, farm and retail food prices, foodborne illnesses, food labeling, nutrition, worker safety, agrichemical usage, livestock waste management, conservation, sustainability, genetic diversity, technology transfer, biofuels, rural infrastructure, and agricultural labor. The goals and objectives in this strategic plan are comprehensive and consistent with the level of appropriations expected by the agency.

.....

Goal 1

The agricultural production system is highly competitive in the global economy.

■ Objective 1.1

Provide economic analyses to policy makers, regulators, program managers, and those shaping public debate that help ensure that the U.S. food and agriculture sector effectively adapts to changing market structure, domestic policy reforms, and post-GATT and post-NAFTA trade conditions.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to the competitiveness of U.S. agriculture, use sound analytical techniques to understand the immediate and broader economic and social consequences of alternative policies and programs and changing macroeconomic and market conditions on U.S. competitiveness, and effectively communicate research results to policy makers, program managers, and those shaping the public debate regarding U.S. agricultural competitiveness.

Performance Measures

Reports, briefings, staff papers, articles, and responses to requests that provide:

- Economic analyses on the linkage between domestic and global food and commodity markets and the implications of alternative domestic policies and programs for competitiveness.
- Economic analyses on the factors changing the structure and performance of domestic and global food and agriculture markets, including the growing use of foreign direct investment by U.S. agribusiness firms, and the implications for competitive conditions.
- Economic indicators of the food marketing system useful in understanding factors affecting competitiveness and efficiency in the food industry.
- Economic analyses on how global environmental change, international environmental issues and policies, and agriculture-related trade restrictions affect U.S. agriculture and trade.
- Economic analyses of the impacts of new crops and new uses on the rural economy, farm diversification, and risk management in highly competitive markets.
- Comprehensive economic assessment of the sources and magnitudes of price and income risks facing U.S. agricultural producers in the post 1996 Farm Bill policy environment, including analysis of the impacts on farm income and risk resulting from producers' use of different risk management programs.
- Analyses on the economic impacts of key World Trade Organization (WTO) issues for agriculture, such as continued export subsidies, the implementation of tariff-rate quotas, the role of state trading enterprises, and technical barriers to trade to benefit the participants in the WTO mini-Round on agriculture anticipated in 1999.

Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues affecting U.S. food and agriculture sector's competitiveness including factors related to performance, structure, risk and uncertainty, marketing, and market and nonmarket trade barriers. Such understanding underpins effective competitive adaptation to changing market structure, domestic policy reforms, and post-GATT and post-NAFTA trade conditions.

Goal 2

The food production system is safe and secure.

■ Objective 2.1

Provide economic analyses to policy makers, regulators, program managers, and those shaping public debate that help improve the efficiency, efficacy, and equity of public policies and programs designed to protect consumers from unsafe food.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to protecting consumers from unsafe food, use sound analytical techniques to understand the immediate and long term efficiency, efficacy, and equity consequences of alternative policies and programs aimed at providing a safe food supply, and effectively communicate research results to policy makers, program managers, and those shaping efforts to protect consumers from unsafe food.

Performance Measures

Reports, briefings, staff papers, articles, and responses to requests that provide:

- Analyses of the scale and distribution benefits of safer food and the costs of food safety policies to understand possible tradeoffs in reducing the incidence of food-borne illness and changes in retail food prices.
- Comprehensive economic analysis of the effects on agribusiness, food retailers, and consumers from implementation of the Hazard Analysis and Critical Control Points (HACCP) system.

Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues affecting the safety of the U.S. food supply including factors related to the efficacy, efficiency, and equity of policy and programs designed to protect consumers from unsafe food.

Goal 3

The Nation's population is healthy and well-nourished.

■ Objective 3.1

Provide economic analyses of the factors affecting food prices and evaluate the efficiency and effectiveness of alternative public policies and programs aimed at ensuring consumers equitable access to wider varieties of high-quality foods at affordable prices.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues affecting food prices and food consumption patterns, use sound analytical techniques to understand the immediate and broader economic and social consequences of the changing structure of the food industry and of policies and programs aimed at ensuring consumers equitable access to affordable food, and effectively communicate research results to policy makers, program managers, and those shaping the public debate regarding healthy, nutritious diets.

Performance Measures

Reports, briefings, staff papers, articles, and responses to requests that provide:

- Forecasts of the consumer price index for food and analysis of its determinants, including the impact of the increase in the minimum wage on food prices.
- Economic analyses of changes in the industrial organization of the food sector, such as vertical coordination, and their effect on consumers.
- Evaluation of the accuracy of the ERS forecasts of the consumer price index for food and study methods to improve forecast accuracy.
- Enhanced ERS annual estimates of the quantity of food available for human consumption, the disappearance data, and reconciliation of this series with the Department's estimate of quantity of food actually eaten by the public, the intake data.
- Economic analysis of how people make food choices, including demands for safer food and improvement in diet and health.
- Analysis of the benefits and costs of policies to change behavior to improve diet and health, including nutrition education, labeling, advertising, and regulation.
- Economic analyses of decisions to eat away from home and the implications of this trend on health and patterns of retail demand.
- Economic analysis of the impacts of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on the Food Stamp Program, including analysis of the effects of the Act on the food and agricultural sector, the food security of low-income households, the relationship of food stamps and other welfare programs, and the impacts of macroeconomic conditions on food stamps.

Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues affecting the nutrition and health of the U.S. population, including factors related to food choices, consumption patterns at and away from home, food prices, food assistance programs, nutrition education, and food industry structure. Such understanding underpins the ability to ensure equitable access to a wide variety of high-quality, affordable food.

Goal 4

Agriculture and the environment are in harmony.

■ Objective 4.1

Provide economic analyses to policy makers, regulators, program managers, and those shaping the public debate to ensure that Federal farm, natural resource, and rural policies and programs balance long-term sustainability goals with improved agricultural competitiveness and economic growth.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to interactions among natural resources, environmental quality, and agriculture, use sound analytical techniques to understand the immediate and broader economic and social consequences of alternative policies and programs to enhance environmental quality, especially on agriculture, and effectively communicate research results to policy makers, program managers, and those shaping the public debate regarding resource use and environmental quality.

Performance Measures

Reports, briefings, staff papers, articles, and responses to requests that provide:

- Analyses on the profitability and environmental effects of alternative production management systems and on the cost effectiveness, equitableness, and effectiveness of conservation policies and programs.
- Analyses of the benefits and costs of agricultural and environmental policies and programs to understand possible tradeoffs in improving environmental quality and increasing agricultural competitiveness.
- Economic analyses on the linkages between biodiversity and sustainability issues and agricultural performance, competitiveness, and structure.
- Analyses regarding expenditures and returns on public and private agricultural research and the comparative advantages of public, private, and mixed funding.
- Productivity estimates and farm income accounts that better reflect agriculture's net environmental impacts.
- Comprehensive analysis of the costs and benefits of resource-conserving technologies and production practices and how resource factors and constraints affect the adoption of resource saving technologies.

Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues affecting agriculture's interface with the environment including those related to integrated pest management, sustainability, biodiversity, global change, and environmental accounting. Such understanding underpins development of farm, resource, and rural policies and programs that balance long-term sustainability goals with competitiveness and economic growth.

.....

Goal 5

Enhanced economic opportunity and quality of life for rural Americans.

■ Objective 5.1

Provide economic analyses to policy makers, regulators, program managers, and those shaping the public debate that identify (1) how investments in rural people, businesses, and communities affect rural economies' capacity to survive and prosper in the global marketplace and (2) what policies and programs keep American farms viable.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to rural economic development and farm viability, use sound analytical techniques to understand the immediate and broader economic and social consequences of how alternative policies and programs and changing market conditions affect rural and farm economies, and effectively communicate research results to policy makers, program managers, and those shaping the public debate on rural economic conditions.

Performance Measures

Reports, briefings, staff papers, articles, and responses to requests that provide:

- Improved understanding of the structure and financial performance of U.S. farms and the farm sector and the linkages between farming and other sectors of the U.S. and local economies.
- Assessment of the adequacy and performance of the recently adopted Agriculture and Resource Management Survey (ARMS) in supporting agency economic analysis.
- Analyses on rural financial markets and how the availability of credit, particularly Federal credit, spending, taxes, and regulations influences rural economic development.
- Economic analyses on the changing size and characteristics of the rural population and the implications of these changes on rural economies, including skill development in the resident labor force.
- Analysis on economic structure and performance of non-farm economic activities in rural areas.
- Analysis on the impacts of the changes in State and Federal welfare and entitlement programs on rural economies and people, including the impacts on housing markets, labor force participation, and migration.

Enhanced understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues affecting rural development including factors related to farm finances and investments in rural people, businesses, and communities. Such understanding underpins rural economies' capacity to prosper in the U.S. and global marketplace.

Management Initiatives

ERS administrative support is performed with ERS resources by the REE mission area's Administrative and Financial Management (AFM) staff in the Agricultural Research Service. The REE strategic plan sets the general management initiative for the mission area: Marshall the diverse capabilities and resources of the REE agencies. ERS will be fully involved in activities supporting attainment of the initiative's four objectives: listening carefully to all customers; promoting collaboration across disciplines, functions, and agencies; allocating resources to maximize program effectiveness; and enhancing the REE information system to promote more effective program management, communication, and interagency coordination across the mission area and with partners. ERS individually and in cooperation with the mission area is committed to assuring equitable and fair treatment to its customers and partners, its staff, cooperators, and contractors, and American citizens and taxpayers whose lives are affected by its research.

Linkage of Goals to Annual Performance Plan

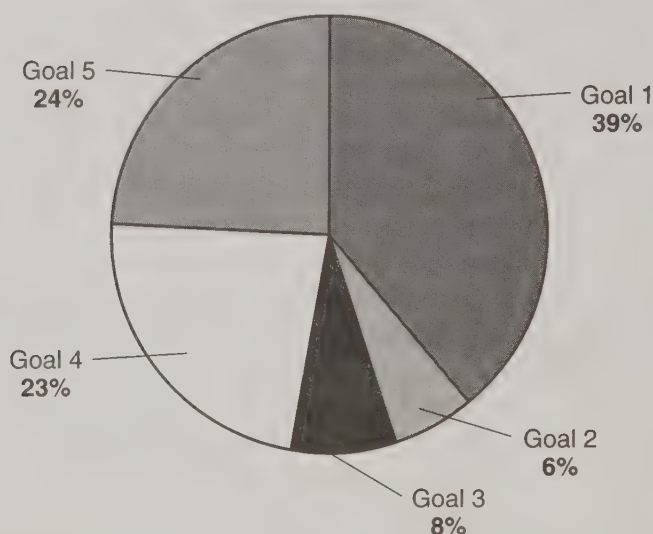
ERS's annual performance plan goals will relate directly to the goals and objectives in the strategic plan. Performance measures will assess the extent to which policy makers, regulators, program managers, and organizations (including major media) affecting the public policy debate have high-quality, comprehensive, objective, relevant, and accessible economic analyses on agriculture, food, environmental, and rural issues. The analyses will reach primary customers through the following outputs: briefings and staff analyses for senior policy officials, Department-level reports, articles in publications informing public policy debates, socio-economic data bases, and individual responses for analytical inputs to many specific projects of program and regulatory agencies. As resources permit and activities involve low-cost complements to strategic activities and outputs, ERS staff will respond to information requests from other than primary customers.

In the annual performance report which must be submitted beginning March 2000 according to GPRA, ERS will use metrics to partially describe its volume of output. Simplistic reliance on quantitative output measurements, however, can inhibit rather than contribute to successful outcomes. Care must be taken in setting and measuring against quantity output goals to ensure that quality is not sacrificed for quantity. The annual performance reports also will include narratives covering characteristics of ERS output that demonstrate that ERS analyses were high quality, objective, relevant, timely, and accessible. The narratives will cover ERS anticipation of issues and the timeliness of output, review prior to release, customer views on relevance and accessibility of ERS analyses, and how ERS analyses contributed to informed decision making. ERS will use a variety of qualitative indicators to help measure the relevancy and accessibility of outputs for customers. Indicators will include: (1) call backs for followup information/analysis from policy makers; (2) requests for ERS staff as primary speakers at important meetings/conferences; (3) articles in major public media that correctly and effectively use ERS analysis and data; and (4) changes in legislation, regulation, and designs of programs related to agriculture, food, natural resources, and rural areas.

Resources Needed

Success in achieving its program goals will depend on the agency's success in managing its resources. ERS will continue to seek and retain a diverse, well-trained, knowledgeable, and productive staff that effectively works together to deliver the agency's comprehensive research and analysis program. Flexibility in defining the knowledge, skills, education, and experience needed to contribute effectively to the work of the agency will help ERS reach beyond its traditional disciplines and institutions to recruit the best people possible. Staff development and training will be essential to enhance staff's abilities and understanding of ERS's mission, the needs of its customers, and the staff's roles in meeting those needs. ERS will continue to use the expertise of its partners and stakeholders to supplement and complement its own resources. The agency also will continue to provide staff with first class information technologies and services to underpin its analyses and to effectively and efficiently communicate with customers and partners. A continuing challenge for ERS and its partners is to develop cost-effective survey and other methods to obtain data needed to support economic analysis of complex agricultural, food, environmental, and development issues. In FY 1997, economic research to support a competitive agricultural system accounted for somewhat less than 40 percent of ERS resources. Economic research to ensure the related goals of a safe food supply and healthy and nutrition diets together accounted for somewhat less than 15 percent of total ERS resources. Economic research to promote environmental goals and research to support rural development each approached about 25 percent of ERS resources.

FY 1997 Resource Allocations



Program Evaluation

In 1991, 30 years after ERS was established, the agency convened present and past policy makers (including several Secretaries of Agriculture, Deputy Secretaries, and former ERS Administrators), industry and non profit organization representatives, distinguished academicians, and ERS staff to consider its role and future. That dialogue and subsequent ones based on the conference proceedings led to a major 1993-94 program review. The resulting "building block reports" were the foundation for discussion at strategic planning sessions that resulted in the October 1994 reorganization of the agency. The general goals to which ERS seeks to contribute were provided by the May 1995 U.S. Department of Agriculture report 1995 Farm Bill: Guidance of the Administration (see specifically page 79). The building block reports, subsequent strategic planning activities by each of the new ERS divisions, and the Research, Education, and Economics (REE) mission area strategic plan combined to form the foundation for identifying the objectives. The plan has been reviewed with customers, partners, and stakeholders through a variety of venues including the REE sponsored listening sessions around the country, the REE Advisory Board, a nationwide teleconference, a special session at the American Agricultural Economics Association annual meeting, and the ERS home page as well as internal USDA review.

To ensure that the outputs present data and analyses that are high quality, comprehensive, objective, relevant and accessible, ERS will routinely provide customers many opportunities for feedback, conduct rigorous and appropriate peer reviews before analysis is released, and use a wide variety of proven and innovative dissemination systems. Successful contributions to professional conferences and journals will test the appropriateness and rigor of the research methods underpinning ERS analysis with respect to disciplinary standards.

Quantitatively and definitively establishing that decision makers make particular decisions because of the provision of analyses is widely acknowledged as extremely difficult. The Army Research Laboratory formulated a model to help explain how research performance can be evaluated. The model considers how assessment mea-

asures such as peer reviews, metrics, and customer evaluations can be used to evaluate relevance, productivity, and quality dimensions of research performance. ERS will draw on this model in evaluating its research.

Besides routine use in annual performance measurement of the indicators above, ERS will from time to time conduct broad reviews of critical aspects of the agency's programs. As a prime example, the National Academy of Sciences National Research Council (NRC) is overseeing a major 2-year review of the ERS program. In the second half of 1998, ERS expects to begin implementing NRC recommendations to ensure that ERS analysis meets disciplinary standards, is relevant for and highly accessible to public and private decision makers, and is conducted in a cost-effective manner. ERS is also conducting an extensive study of the public and private supply of and demand for economic information on domestic and foreign agricultural performance and commodity markets. The goal is to understand ERS's role and effectiveness in providing market information that will contribute to development of sound public policies, better managed public programs, and competitive market conditions.

Role of External Entities

The ERS strategic planning process sought input from non-Federal customers and partners. The plan, however, was prepared only by Federal employees, which is in accordance with the Government Performance and Results Act requirements. No consultants or contractors were used.

ERS

National Agricultural Statistics Service (NASS) Strategic Plan

Table of Contents

Introduction	7-73
Key External Factors	7-74
Mission	7-75
Goals	7-75
Management Initiatives	7-79
Linkage of Goals to Annual Performance Plans	7-82
Resources Needed	7-82
Program Evaluation	7-83
Role of External Entities	7-83



MASS

Introduction

The National Agricultural Statistics Service (NASS) is a key information agency within the Research, Education, and Economics (REE) mission area of the U.S. Department of Agriculture (USDA). Statistical data on U.S. agriculture are essential for the orderly development of production and marketing decisions by farmers, ranchers, and other agribusinesses. The U.S. food and fiber system totals over 14 percent of the gross domestic product and employs more than one out of every six employees in the United States. Agricultural data series are also important for monitoring the ever-changing agricultural sector to make and carry out agricultural policy relating to farm program legislation, commodity loan and insurance programs, foreign trade, the environment, agricultural research, rural development, and related activities.

The foundation of NASS began with the establishment of USDA in 1862. Agricultural supply information was one of the purposes for the new Department. The first official report on the condition of crops began in July 1863. The basic, mission-oriented program continues today in the USDA forecasts and estimates provided by the NASS Agricultural Statistics Board. NASS' responsibilities are authorized under the Agricultural Marketing Act of 1946 and other sections under Title 7 U.S.C.

Appropriations for the Census of Agriculture were transferred from the Department of Commerce to the Department of Agriculture for FY 1997. NASS thereby assumed responsibility for the 1997 agricultural census and subsequent censuses. On February 2, 1997, Census Bureau employees working primarily on the Census of Agriculture were transferred into a new division within NASS.

The agency staff includes about 1,350 full-time Federal and State employees, one-third at Headquarters and two-thirds in the field. The NASS program utilizes 45 State Statistical Offices (SSO's) serving all 50 States. These SSO's are operated under cooperative funding arrangements with State departments of agriculture and/or land-grant universities. This arrangement efficiently serves the agricultural data needs at both the State and Federal levels, eliminates duplication of effort, provides State input, maintains national consistency, and minimizes overall costs to Federal and State governments. NASS also performs important reimbursable survey work for other Federal, State, and producer organizations as well as providing technical assistance for agricultural statistics programs in developing countries.

Thousands of farmers, ranchers, agribusinesses, and others voluntarily respond to nationwide surveys about crops, livestock, prices, and other agricultural activities. These surveys are supplemented by field observations, objective yield counts and measurements, and administrative data to provide reliable information. Annually, estimates for about 120 crops and 45 livestock items are published in approximately 350 reports prepared by NASS's Agricultural Statistics Board. In addition, the sample survey capabilities of NASS make it especially well suited to meet information needs for rural environmental and economic data.

The structure of farming and of the agricultural industry has changed dramatically since the initial crop reports were issued over 130 years ago. However, the need for accurate, timely, and impartial statistical information on the Nation's agriculture has become even more important as the Nation has moved from subsistence agriculture to a highly industrialized agricultural industry producing food and fiber for the world market.

Partnerships and Coordination

As the primary statistical agency for the USDA, NASS services the data needs of many agencies inside and outside of the Department. This interaction contributed significantly to the NASS strategic plan. NASS data are an important part of the World Supply and Demand Estimates that measure total world supplies and demand. The NASS data play a very important role in the Department's purchases of food for the

school lunch program. USDA relies on NASS data for important policy issues such as the Export Enhancement Program, and the management of the Conservation Reserve Program. NASS data are used administratively to establish Federal Market Order milk prices which ultimately determine the price every consumer pays for milk and dairy products. USDA uses NASS data to administer the crop insurance program. Wage rate data from the labor survey are used by the Department of Labor to set the adverse effect wage rates. Grazing fees for publicly owned land are set using a formula based on NASS estimates of grazing fees on private land along with prices received data. The grazing fees are jointly administered by the Forest Service in USDA and the Department of the Interior.

Partnerships have been in place with State departments of agriculture and land-grant universities through cooperative agreements since 1917 to ensure statistical service meets State and local as well as national needs without duplication of effort. This coordination maximizes benefits while minimizing costs to the taxpayers. We also consider the thousands of voluntary data suppliers as partners in the important task of monitoring the nation's agricultural output, facilitating orderly and efficient markets, and measuring the economic health of those in agriculture.

NASS uses numerous forums to obtain feedback relating to program content and customer service. NASS has sponsored Data User Meetings for many years. These meetings are a primary source of customer feedback that keep the estimating program on track with the needs of the user community. This feedback played a vital role in developing the original strategic plan. Subsequent meetings have featured the NASS strategic plan as a means of generating discussion of the NASS program and the plans themselves. The reassignment of the Census of Agriculture in 1996 brought with it the Census Advisory Committee on Agriculture Statistics which continues to provide guidance for the census. Also, the mission area has formed a National Agricultural Research, Extension, Education, and Economics Advisory Board which provides input for all REE agencies. In early 1997, the mission area sponsored a stakeholders meeting to evaluate the strategic plans of REE and the four agencies. Feedback from all of these forums have shaped the current NASS strategic plan.

Key External Factors

Customers and stakeholders identified the following trends and external factors as having important implications for the NASS program in the next decade:

- Continued concentration in agricultural production, leading to fewer, larger, and more vertically integrated farms
- Declining voluntary cooperation as requests for information increase
- Rising expectations from the public for accuracy, timeliness, and relevancy of statistics
- Fewer employees with a background and education in agriculture
- Changing lifestyles in rural America, including more off-farm work, and a decline in the share that agriculture represents in rural communities
- Explosive changes in information technology
- An increasing need for sharing of information across agencies
- Rising demands among users to provide new kinds of information faster and in different forms

Mission

The NASS mission is to serve the basic agricultural and rural data needs of the people of the United States, those working in agriculture, and those living in rural communities by objectively providing important, usable, and accurate statistical information and services for informed decision making.

Goals

The NASS goals are consistent with those of the other agencies in the Research, Education and Economics mission area. They also fully support the goals of the U.S. Department of Agriculture. NASS's specific objectives describe the agency's contribution to the general goals. Basic data supplied by NASS provide the information necessary for informed decision making by public officials and private interests. These decisions will ultimately determine the success in achieving desired outcomes.

Goal 1

Through research and education, empower the agricultural system with knowledge that will improve domestic production, processing and marketing to successfully compete in the global market.

■ Objective 1.1

Describe U.S. agriculture as fully as possible, providing timely and accurate agricultural statistics that are used throughout the agricultural sector to evaluate supplies and determine competitive prices for world marketing of U.S. commodities.

Time Frame for Completion

Periodically throughout each year.

Strategies for Achieving the Objective

- Conduct surveys to provide important data regarding supplies and prices of agricultural commodities.
- Issue timely and accurate reports that are useful for the efficient and effective marketing of U.S. agricultural outputs.
- Systematically review each step of data collection, processing, and estimation of production and price statistics to improve quality and timeliness.
- Use the Agricultural Statistics Board to assure objective evaluation of survey indications and to provide unbiased official USDA estimates.
- Examine the relevancy of statistical products by profiling the content, scope, frequency, and coverage provided compared to user needs.
- Produce official estimates on the dates and times specified in data formats most useful to data users.

Performance Measures

- National production statistics will annually cover 99 percent of all agricultural cash receipts in the National Income Accounts.
- Over 90 percent of data users rate production and price data series as important or essential to the marketing of agricultural products.
- NASS reports are complete and contain no data errors in 99 percent of releases.

■ Objective 1.2

Promote a level playing field in production agriculture with impartial statistics available to all at a predetermined and publicized date and time.

Time Frame for Completion

Continuous.

Strategies for Achieving the Objective

- Evaluate trends and changes in production agriculture and adjust NASS statistics program accordingly.
- Present NASS statistics at the finest level of detail supportable by the data available.
- Promote public awareness of the importance of U.S. agriculture and of the NASS role in monitoring the Nation's food supply.
- Publicize NASS release policy and annual release calendar to emphasize fair treatment to all.
- Ensure that the estimation program and security procedures will safeguard official statistics from improper disclosure and protect impartiality.

Performance Measures

- The report release schedule is published for all to see before beginning an annual program cycle.
- There are zero instances of impropriety regarding data security prior to the appointed date and time of an official release.
- Scheduled due dates for official reports are met 100 percent of the time.

Goal 2

Ensure an adequate food and fiber supply and promote food safety through improved detection, surveillance, prevention, and education.

■ Objective 2.1

Provide meaningful statistical projections that enable the producers and the marketing channels to minimize economic risk and provide food security for consumers.

Time Frame for Completion

Periodically throughout each year.

Strategies for Achieving the Objective

- Conduct surveys and field visits to enable the Agricultural Statistics Board to forecast crop yields and livestock productive capacity for a meaningful period into the future.
- Provide important data on management practices and economics which are useful for decision making and risk assessment.
- Design programs to permit quick reaction to emergency data needs such as those resulting from floods, droughts, and freezes.

Performance Measures

- NASS data are rated as important or essential to forecasting, market analysis, and risk assessment by 90 percent of agricultural leaders.
- NASS responds to all special requests and emergency data needs within its budgetary capability.

■ Objective 2.2

Provide important data on pre- and post-harvest chemical applications for informed evaluations of risk potential associated with using or discontinuing chemicals relative to both food safety and food security.

Time Frame for Completion

Periodically as needed for monitoring purposes.

Strategies for Achieving the Objective

- Conduct surveys to provide needed data on types and amounts of chemicals applied by producers and associated economic information to evaluate related economic importance.
- Initiate a program to measure and report chemicals applied to agricultural products during storage, packing, and shipping.
- Make meaningful data readily available to all who need the chemical use information for business and policy decisions.

Performance Measures

- Over 90 percent of customers rate chemical use data series and data products as relevant or highly relevant to environmental analysis and risk assessment.
- NASS meets 100 percent of legislated and funded data requirements for chemical use statistics.

Goal 3

Foster a healthy and well-nourished population having the knowledge, desire, and means to make health-promoting choices.

■ Objective 3.1

Provide statistical advice, consultation, and services to USDA and State agencies concerned with health, nutrition, and education when seeking new data or the statistical analysis of existing data for policy decisions.

Time Frame for Completion

As needed.

Strategies for Achieving the Objective

- Maintain contacts and visibility as a competent and reliable source of statistical expertise and survey capabilities.
- Work closely with customers to ensure statistical needs are met.

Performance Measure

- More than 90 percent of clients in the health, nutrition, and education areas show ratings of satisfied or very satisfied with NASS statistical services.

Goal 4

Enhance the quality of the environment through a better understanding of and building on agriculture's and forestry's complex links with soil, water, air, and biotic resources.

Objective 4.1

Provide statistical data on agricultural chemical use, production practices, land productivity and integrated pest management practices so proper decisions can be made regarding stewardship of America's rural resources and the environment.

Time Frame for Completion

Periodically as needed for monitoring purposes.

Strategies for Achieving the Objective

- Conduct surveys to provide needed information concerning quantities of chemicals applied to agricultural commodities.
- Supply important information on land use and productivity for use in environmental monitoring efforts.
- Supply important economic information relevant to policy and production decisions associated with chemical use and integrated pest management on U.S. farms and ranches.
- Supply information relevant to measuring the adoption of integrated pest management practices in production agriculture.

Performance Measures

- More than 90 percent of data users working on agriculture and the environment are satisfied or very satisfied with NASS data on chemical usage, production practices, and integrated pest management activities.

Goal 5

Empower people and communities, through research-based information and education, to address the economic and social problems facing our youth, families, and communities.

Objective 5.1

Provide detailed data from the Census of Agriculture at specified intervals to facilitate locality based policy and business decisions benefiting farmers, ranchers, and rural residents.

Time Frame for Completion

5-year intervals.

Strategies for Achieving the Objective

- Conduct the Census of Agriculture to provide detailed data at local levels on the characteristics of America's agricultural sector.
- Improve coverage of minority farm operators in the Census of Agriculture.
- Report the results of the Census in timely and user-friendly manner to enable decision making concerning localities across the U.S.

Performance Measures

- The 1997 Census of Agriculture will maintain the current definition of a farm while improving coverage and making the data available in their entirety earlier than previous censuses.
- The 1997 Census of Agriculture will have improved coverage of minority-operated farms compared to previous censuses.
- Point of contact customer demand for census data will be documented.

■ **Objective 5.2**

Provide necessary and sufficient economic data on prices, labor, cost of production, farm numbers and farm income to enable informed policy decisions to benefit farmers, ranchers, and rural residents.

Time Frame for Completion

Periodically throughout each year.

Strategies for Achieving the Objective

- Conduct surveys to monitor the economic status of those who operate and work the Nation's farms and ranches and provide needed data for policy analysis.
- Involve State cooperators and local program supporters in program development and evaluation.

Performance Measures

- Over 90 percent of data users rate NASS agricultural economic data as important or very important to their work.
- Over 90 percent of reimbursable clients requesting farm economics and rural economics data are satisfied or very satisfied with NASS statistical services and data.

Management Initiatives

These management initiatives are considered essential for the effective utilization of human and physical resources to carry out the NASS mission. Emphasis is on: 1) customer service; 2) benefits derived from employee diversity, training and career satisfaction; and 3) productivity accruing from information technology, communications, and administrative support for resource management. NASS initiatives are in accordance with Departmental standards.

■ Management Initiative 1

Strive to meet customer needs and expectations.

Time Frame for Completion

Continuous.

Strategies for Achieving the Management Initiative

- Meet the requirements of the September 1993 Executive Order regarding a customer service plan.
- Investigate new ways to continue dialogue between NASS and data users.
- Improve customer awareness concerning NASS products and services and facilitate easy access to official NASS data.
- Introduce new products and services and redesign existing products to meet changing customer expectations.
- Enhance NASS publications by adding more information, graphics, and map products.
- Generate new spatial products based on geo-referenced files and remote sensing products.
- Be responsive to new data needs for specific components of the agricultural economy (e.g., county-level data, watershed data, rural data, data on subgroups in agriculture, environmental data, data on sustainable agriculture, etc.).

Performance Measures

- Over 90 percent of data users surveyed are satisfied or very satisfied with NASS service.
- NASS responds to customer requests within 2 working days 99 percent of the time.
- New data products and services are introduced to fulfill customer requests.

■ Management Initiative 2

Employ a diversified and technically competent staff. Treat employees fairly and with respect.

Time Frame for Completion

Continuous.

Strategies for Achieving the Management Initiative

- Support cooperative programs with 1890 land-grant, Hispanic, Native American, and other minority educational institutions to assist them in training and to help NASS recruit qualified minorities.
- Utilize and promote student assistants, cooperative students, stay-in-school and other employment programs that assist in recruitment of highly qualified, diversified, and technically competent staff.
- Maintain a healthy and safe environment for employees, with modern equipment and comfortable furnishings. Make effective use of flexible work schedules and work locations.
- Develop innovative and flexible training programs to meet individual needs. Offer and encourage statistics, computer, and communication skills training. Promote staff knowledge in the full range of agricultural and rural issues. Build experiences and versatility through staff mobility.

- Participate in national and international forums where concepts and methodologies are presented. Utilize cooperative agreements, exchange programs, contracts, and other interactive vehicles with academic, professional, and subject matter experts to expand staff capabilities.
- Conduct an organizational climate survey at regular intervals and take action on issues identified.
- Recognize outstanding contributions by NASS employees.
- Promote trust, teamwork, and communication. Involve the staff at all levels in program decisions.

Performance Measures

- All program needs are met and NASS meets Department guidelines regarding diversity in staff.
- Organization climate surveys show fewer than 15 percent of employees have low morale.
- Zero substantiated EEO complaints are filed by NASS employees.
- 100 percent of NASS managers have had 80 hours or more of management/leadership training.

■ Management Initiative 3

Ensure an effective information resource management system that maximizes productive capability and facilitates communication for employees.

Time Frame for Completion

Continuous.

Strategies for Achieving the Management Initiative

- Move to distributed client/server computing using relational data base technology.
- Increase use of Geographic Information Systems (GIS), remote sensing, and georeferencing devices.
- Use the USDA wide-area communications network to implement new functions such as remote LAN management, video conferencing, document archiving and retrieval systems, GIS, and data sharing.
- Organize all relevant data into a series of data warehouses which can be accessed and shared through powerful analysis tools. When appropriate, these data sets should contribute key components to the USDA data architecture.
- Upgrade all field LAN servers to enhance the system capacity to handle over 300,000 computer-assisted telephone interviews.
- Upgrade all LAN systems to 32-bit architecture to facilitate the migration to the USDA Technical Architecture.
- Work closely with the ARS Administrative and Financial Management Division to make sure administrative and financial services to NASS are efficient, effective, and consistent with Departmental standards and guidance.

Performance Measures

- No report due dates are missed because of equipment failure.
- Less than 10 percent of employees cite lack of quality equipment as a negative work factor.
- Eighty percent of NASS managers give a favorable rating to information and administrative systems.

Linkage of Goals to Annual Performance Plan

The NASS annual performance plans will draw upon performance measures described in this strategic plan to monitor progress toward NASS objectives in support of the general goals. These measures gauge how well the basic statistical data for agriculture provided by NASS meet the needs of both public and private decision makers. Their actions, based on information available to them, will ultimately determine the success of the goals and outcomes desired by NASS, REE, and USDA.

Goals 1, 2, and 4 are linked to the Agricultural Estimates and Statistical Research and Service budget program activities. Goal 5 is linked to the following budget program activities: Agricultural Census, Agricultural Estimates, and Statistical Research and Service. Goal 3 is supported through the NASS reimbursable program.

Linkage of Goals to the Departmental Goals

The USDA has identified three strategic goals as the critical concerns to be addressed through the various agencies of the Department. The goals of NASS are consistent with those of the other REE agencies and support the three goals of the Department as follows:

- **USDA Goal 1:** Expand economic and trade opportunities for agricultural producers and other rural residents. Supported by NASS Goals 1 and 5.
- **USDA Goal 2:** Ensure food for the hungry, and a safe, affordable, nutritious, and accessible food supply. Supported by NASS Goals 2 and 3.
- **USDA Goal 3:** Promote sensible management of our natural resources. Supported by NASS Goal 4.

Resources Needed

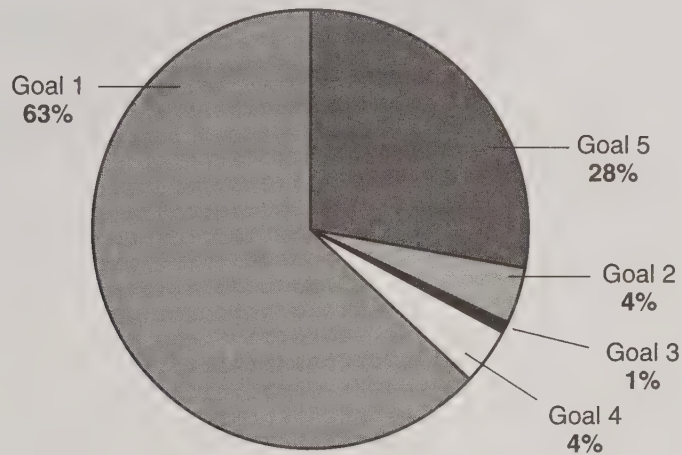
Resource allocations for NASS in FY1997 are shown in the following chart as they apply to achievement of the five desired goals.

Highly skilled employees are required by NASS in the areas of agricultural statistics, survey methodology, mathematical statistics, computer sciences, and technical and general support. In addition, trained interviewers under contract to NASS are critical to accomplish stated goals. Personnel are dependent upon reliable computer equipment and networks for the completion of their duties. Periodic adjustments to the budget for pay increases and inflation are necessary to sustain service levels expected by data users. Significant changes from previous resource demands resulted from the transfer of the Census of Agriculture from the Bureau of the Census to NASS and to meet new data requirements on Integrated Pest Management and Postharvest Pesticide Use.

In the long term, NASS resource needs are influenced by several major factors. The Census of Agriculture collects and provides comprehensive data every 5 years on all aspects of the agricultural economy. Because of this cyclical schedule, different activities are conducted each year which require varying resources. Over time, NASS plans to integrate Census of Agriculture activities into NASS's ongoing statistical programs. Attainment of NASS's performance measure of producing statistics which cover 99 percent of all agricultural production receipts and responding to changes in the agricultural sector which result in different data needs will require NASS to secure resources for those areas currently under served. Finally, NASS will continue to be in a constant state of re-engineering due to changes in methodology and technology. NASS's ongoing efforts to streamline information management to increase the efficiency, timeliness, and accessibility of information will require resources which are difficult to estimate due to the rapid changes in technology and changing costs for hardware and software.

NASS

Resource Allocations for NASS in FY 1997



Program Evaluation

The assessment of NASS performance, under its strategic plan, is highly dependent on the judgement of data users and customers as to the value and relevance of its products and services. For example, NASS statistics contribute to the orderly function of production and marketing systems in the agricultural sector. Timeliness is easily measured by the percent of pre-announced due dates met, but the degree to which NASS contributes to the outcome of an efficient market is in the judgement of the data user. NASS will obtain these judgements through customer satisfaction surveys conducted in a periodic basis. These would be aligned with the annual budget and performance planning cycle. Other assessments of NASS contributions toward the desired outcomes specified in this and the REE strategic plan will be solicited from subject matter experts, such as public and private economists, the media, farmers, and ranchers.

For many years NASS has held data user "listening" sessions in various locations around the U.S. In addition, NASS periodically solicits technical and program reviews by economic and statistical experts from academia and other data knowledgeable organizations. Input from these sources had significant impact on this strategic plan and these program evaluations will continue to shape future NASS strategic planning. NASS has learned through continuous interaction with data users over the years about the increasing and changing needs for statistical information regarding agriculture and related issues.

Role of External Entities

A large number of people and organizations influence and are influenced by NASS's activities. In order to determine how NASS could better serve these groups, it was necessary to identify the issues and concerns of the principal stakeholders. The results of the NASS interaction with these customers and other stakeholders are reflected in the plan. No paid contractors or consultants were used in the preparation of this strategic plan.

MASS

Method of ...
 ...
 ...
 ...
 ...

Rural Development (RD) Mission Area Strategic Plan

RD

Table of Contents

Introduction	8-3
Key External Factors	8-6
Mission	8-7
Goals	8-7
Management Initiatives	8-14
Linkage of Goals to Annual Performance Plan	8-18
Resources Needed	8-19
Program Evaluation	8-20
Role of External Entities	8-21

RD

Introduction

On October 13, 1994, President Clinton signed into law the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act. This legislation established 7 mission areas within USDA based upon the primary missions of the Department. Rural development is one of those missions. The Act also realigned many of the Department's programs and reduced the number of USDA agencies.

Three new agencies, the Rural Business-Cooperative Service (RBS), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS), were established. These agencies constitute the Rural Development mission area and support the following USDA Strategic Goals:

- 1.1 Expand economic and trade opportunities for agricultural producers and other rural residents; and
- 1.3 Provide effective customer service and efficient program delivery.

Most of the programs delivered by the mission area agencies are not new. The staffs of these agencies have been, and will continue to be, important providers of financial and technical assistance to rural communities. Their efforts in the past have helped millions of rural Americans achieve a higher standard of living and have enabled them to live healthier, more productive, and more enjoyable lives. Much, however, remains to be done. The development of rural America is a difficult and complicated task in the best of circumstances. The mission area is charged with being the lead Federal entity for rural development in an era of dwindling Federal resources and in the face of rapid changes in the global economy. Substantial challenges exist for both rural America and the mission area.

This plan covers fiscal years 1997 through 2002. It shall be reviewed annually and updated every 3 years as required by the Government Performance and Results Act (GPRA).

Extensive internal and external consultation was held in preparation of the strategic plan. All mission area employees were surveyed to obtain their thoughts and comments. Over 50 percent of the employees responded. Rural Development State Directors held 39 listening forums with partners and stakeholders to identify their concerns and obtain their input. Lastly, a National Listening Forum was held to obtain the comments and concerns of national interest groups.

Rural America is diverse and complex. The thousands of communities which make up rural America are at different stages in their adjustment to the forces which impact our national economy. Some communities have adjusted well and are prospering. There are, however, regions of the country, and pockets in every State, where unemployment and poverty are widespread. Between these two extremes are numerous individual communities, throughout the country, with major unmet needs. Until these needs are met, these communities have a very limited ability to attract the job-creating businesses needed for the community to grow and prosper in the future.

There is no single recipe for rural prosperity. There are logical ways to promote development and there is considerable potential. Guiding principles for this development include:

- Enhance the connection between rural and urban areas by improving information infrastructure, the dissemination of information, and the ability of rural residents and businesses to use it.
- Encourage and assist rural firms to target specialized, niche markets.
- Create "artificial scale economies" to counter the high costs of providing government services or doing business in rural areas due to their small-scale,

low-density settlement patterns. This can be accomplished through the development of partnerships between communities or businesses to jointly buy services or equipment.

- Improve the competitiveness of rural firms by enhancing the core skills of management and labor.

Even though rural communities are very diverse, with each one having its own unique needs, most of them share a common problem - difficulty in obtaining financing for needed improvements. This problem is exacerbated by the limited number of available users to support the repayment of debt, the high cost per user of rural projects due to their small scale, and the lack of expertise in many rural communities in the technical aspects of project development and management. Most small rural communities do not have bond ratings, which makes it nearly impossible for them to obtain private sector financing. Rural residents and businesses encounter similar problems in obtaining financing. Financing for homes or businesses in small rural communities is often very limited due to the small number of interested lenders in the area and the high potential for loss in case of financial failure due to the limited number of people who might be interested in assuming the debt or buying the property securing the debt.

Rural Development programs are designed to meet the diverse needs of rural communities and to help them obtain the financial and technical assistance needed to improve the quality of life in rural America and help individuals and businesses compete in the global marketplace. These programs consist of a variety of loan, loan guarantee, and grant programs, plus technical assistance, in the areas of business and industry; cooperative development; rural housing; community facilities; water and waste disposal; electric power; and telecommunications, including distance learning and telemedicine.

Rural Development loan programs, with an outstanding portfolio of approximately \$77.7 billion, are delivered through a National Office for each agency, 47 Rural Development State offices and a network of other field offices. The mission area is supported by a Finance Office and a Centralized Servicing Center in St. Louis, Missouri, which services the direct single-family housing portfolio.

The mission of the **Rural Business-Cooperative Service** is "to enhance the quality of life for all rural Americans by providing leadership in building competitive businesses and sustainable cooperatives that can prosper in the global marketplace." RBS accomplishes this mission by investing its financial resources and technical assistance in businesses and cooperatives, and by building partnerships that leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.

The **Rural Housing Service**' mission is "to improve the quality of life in rural America and help build competitive, vibrant rural communities through its community facilities and housing programs." Two of the key components of a healthy community are decent and affordable housing and the availability of essential community services such as fire protection and health care. RHS has financed over 2 million single-family homes since the inception of its home ownership program. The rural housing programs are an essential part of the President's National Homeownership Initiative. In the last 20 years, the community facilities program has enabled over 7,000 communities to provide basic community services for their citizens.

The mission of the **Rural Utilities Service** is "to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste programs in a service-oriented, forward-looking and financially responsible manner." RUS programs provide rural residents access to modern, affordable telecommunications, water, waste water disposal, and electric service. These

essential infrastructure systems are the foundation for rural Americans to be contributors in the global economy.

The mission area administers the rural portion of the Administration's Empowerment Zones and Enterprise Communities (EZ/EC) Initiative. Its mission is "to create self-sustaining, long-term economic development in areas of pervasive poverty, unemployment, and general distress, and to demonstrate how distressed communities can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented by alliances among private, public, and nonprofit entities." This program is seen as the first step in rebuilding poverty-stricken communities in rural America. It is designed to empower people and communities to work together to create jobs and opportunities. The Secretary of Agriculture has designated three rural Empowerment Zones and 30 Enterprise Communities.

Also housed in the mission area is the National Rural Development Partnership, a nationwide network of rural development leaders and officials committed to the vitality of rural areas. The network is organized by the National Rural Development Council, 36 State Rural Development Councils, and the National Partnership Office.

As a part of the Departmental reorganization and establishment of the mission area, the administrative management functions and policy analysis functions of the three agencies were consolidated within the mission area. Operations and Management, which is headed by a Deputy Under Secretary, provides administrative support for the entire mission area. Likewise, the Policy and Planning Staff, which is also headed by a Deputy Under Secretary, coordinates policy analysis support for the entire mission area.

Streamlining and technological innovation are driving the need for Rural Development to change its approach to its mission. Reduced resources are requiring an increased focus on leveraging, partnerships and non-monetary assistance for rural communities. This shift will require increased retraining and redeployment of staff.

Legislative Mandates

The legislative authorities for the mission area programs are found in the Consolidated Farm and Rural Development Act, as amended; Title 5 of the Housing Act of 1949, as amended; the Cooperative Marketing Act of 1926, as amended; the Food Security Act of 1985, as amended; and the Rural Electrification Act of 1936, as amended. The mission area is also impacted by other legislation, such as the Federal Agricultural Improvement and Reform Act of 1996 (1996 Farm Bill), the Telecommunications Act of 1996, and the Energy Policy Act of 1992. A basic mandate of most mission area programs is that they are not to compete with private credit, but rather supplement that credit. If the individuals or entities can obtain affordable credit to meet all, or part, of their needed funding from other sources, they are expected to do so. Another legislative mandate, provided in the 1996 Farm Bill, is that priority should be given in the delivery of our programs to the smallest and poorest communities.

Partnerships and Coordination

The partnerships and coordination with other organizations required for program delivery varies between agencies and by programs within the agencies. Most of the direct financial programs do not require a partner for program delivery but we are seeking to ensure the placement of our funds are coordinated with, and support the delivery of, the funds of other entities. We are, however, seeking to leverage our funds to the maximum extent possible with other lenders. Our guaranteed programs are made through local financial institutions. This coordination occurs at the local level. This plan is the basis for the development of State/Tribal strategic plans required by the 1996 Farm Bill. The Rural Development State Directors are developing these plans with their vari-

ous public and private partners to support the coordinated delivery of all resources, both financial and technical.

To ensure our programs are delivered efficiently and effectively at our State Offices, and take advantage of opportunities for streamlining, Rural Development will cooperate with the Offices of the Assistant Secretary for Administration and the Chief Information Officer as they implement the Administrative Convergence initiative. This initiative will consolidate the administrative resources and functions (financial management, human resources management, property and contracting, civil rights, and information resource management), both nationally and at the State level, for the Farm and Foreign Agricultural Services and Rural Development mission areas and at all levels for the Natural Resources Conservation Service.

Other Departmental agencies which the mission area works closely with are the Economic Research Service; Farm Service Agency; Natural Resources Conservation Service; Forest Service; Foreign Agricultural Service; Agricultural Marketing Service; Cooperative State Research, Education and Extension Service; and the National Agricultural Statistics Service. Outside of the Department coordination is required with Housing and Urban Development, Economic Development Administration, Environmental Protection Agency, Small Business Administration, the Department of Labor, the Department of Energy, and the Federal Communications Commission. The plans have been shared directly with some of our closest partners and through the plan review process with the other partners.

Key External Factors

Macroeconomic influences - Changes in the economy can have a major impact on our financial programs and the ability of our customers to meet their obligations. A rise in unemployment generally impacts low-income families first and can result in an increase in delinquency rates. Inflation can impact the disposable income of low-income families and may also adversely impact the ability of small communities and businesses to meet their obligations if their operating expenses are increasing faster than their income. Changes in the cost of money have the greatest impact on the mission area. Rising interest rates obviously impact the cost of the financing provided by the mission area and the ability of new customers to afford the needed assistance. It limits the ability of our existing customers to graduate to private sector credit. Rising interest rates will impact the subsidy rates for each program and reduce the amount of funds available for lending.

Legislative and other regulatory changes - Significant changes in the environment in which a family, community, or business operates have an impact on how they will function in the future. For example, Welfare Reform will have a major impact on low-income families especially during periods of economic downturn. The Telecommunications Act of 1996, which moved the telecommunications industry from a tightly regulated industry to a competitive deregulated industry, is impacting our rural telecommunications customers. The 1992 Energy Policy Act may change dramatically the business environment of the electric utility industry.

Reductions in funding - Our financial programs are dependent upon Federal funding. Reductions in the level of funding will reduce our ability to help rural America and achieve our goals. Likewise, reductions in funding at the State or local level will limit our ability to leverage our funds with the resources of other organizations.

Mission

The mission of the Rural Development mission area is to:
 “Enhance the ability of rural communities to develop, to grow, and to improve their quality of life by targeting financial and technical resources in areas of greatest need through activities of greatest potential.”

Goals

Goal 1

GOOD JOBS AND DIVERSE MARKETS.

Rural Development will improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives.

Rural America is currently experiencing an economic and population revival, after the declines of the 1980's. Yet rural America continues to face significant challenges. Income and earnings from nonfarm jobs in rural areas continue to lag those in urban areas. Structural changes in production agriculture have been, and will continue to be, significant. There is a strong continuing need for more diversified sources of income for farm and nonfarm workers in rural areas.

The need is not just for jobs, but for jobs that pay a livable wage. Less than one in four rural jobs are in farm or farm-related industries. During the 1990's, the rural-urban gap in real per capita annual income remained approximately \$6,000 or greater, while rural nonfarm jobs in 1994 paid over \$8,000 per job less than urban jobs. The rural-urban gap in real earnings per nonfarm job is wider now than it was in either 1980 or 1990. There is also disparity in the poverty rates between rural and urban areas. In 1994, 16 percent of rural residents were in poverty compared to 14.2 percent of urban residents.

■ Objective 1.1

Increase the availability and quality of jobs in rural areas.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Build leveraging partnerships to expand total resources going to rural areas by leveraging program monies with funds from State, local and private sources.
- Work with local communities to ensure funds are directed to projects with the highest job creation potential.
- Coordinate with the Foreign Agricultural Service to promote product development in rural areas which have a foreign market.
- Involve 1890 and 1862 land-grant universities in providing technical assistance to minority-owned businesses and entrepreneurs in training, credit acquisition assistance, and business plan development.

Performance Measures

- Create or retain 35,000 jobs through loans, grants, and technical assistance to rural businesses.
- Generate \$2.0 billion of income in the local communities through the investment of funds from the business programs.

■ Objective 1.2

Encourage and promote the use of marketing networks and cooperative partnerships to increase and expand business outlets.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Coordinate efforts with the Foreign Agricultural Service to utilize cooperatives to promote, in rural areas, the development of products which have a foreign market.
- Partner with public, non-profit, and educational institutions to heighten awareness and understanding of cooperatives and marketing opportunities in underserved rural areas.
- Provide field level training and technical assistance to cooperatives and developing cooperative groups.

Performance Measures

- At least 100 cooperative groups indicate technical assistance and educational services provided by RBS fulfill their requirements.

■ Objective 1.3

Direct Rural Development program resources to those rural communities, and customers with the greatest need.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Establish an Outreach Program and Outreach Liaison Position.
- Implement the Rural Community Advancement Program (RCAP).
- Improve accessibility of Rural Development programs for Native Americans.
- Utilize Geographic Information System to improve targeting of funds.

Performance Measures

- Invest 20 percent of Rural Business Enterprise Grant (RBEG) funds, and 21 percent of Intermediary Relending Program (IRP) funds in EZ/EC communities.
- Invest 10 percent of B&I funds, 20 percent of IRP funds, 20 percent of Rural Business Enterprise Grant funds, and 2 percent of Rural Economic Development Loan and Grant (REDLGP) Program funds in other Presidential and Departmental Initiatives (Pacific Northwest, REAP Zones, Champion Communities, etc.).
- Provide technical assistance to cooperatives in 80 impoverished or economically depressed counties.

■ Objective 1.4

Manage the loan portfolio in a manner that is efficient and effective.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Enhance Rural Community Facilities Tracking System (RCFTS) to monitor and assist in the management of new programs, such as the Rural Economic Development (zero interest) Loan and Grant Programs.
- Develop software capable of monitoring and assisting in determining benefits of the secondary market sale of third-party Intermediary Relending Program (IRP) recipient loans.

Performance Measures

- 91 percent currency rate for guaranteed Business and Industry (B & I) loans.
- 100 percent currency rate for Rural Economic Development loans.
- 100 percent currency rate of IRP loans.

* * * * *

Goal 2**QUALITY HOUSING AND MODERN COMMUNITY FACILITIES.**

Rural Development will improve the quality of life of rural residents by providing access to technical assistance, capital and credit for quality housing and modern, essential community facilities.

Vibrant communities are critical to the success of rural America. One of the key components of a healthy community is decent, safe, sanitary and affordable housing.

- In 1989, one in five rural households paid more than 30 percent of its income for housing costs.
- 1.6 million rural households live in substandard housing.
- Despite improvements in housing quality, especially in the number of rural units with complete plumbing facilities, there are about 3 million units whose occupants are cost-burdened or which are physically sub-standard.

Another fundamental foundation for strong rural communities is the availability of community facilities such as fire stations, health care clinics, and child care facilities. These facilities often help the economic development and provide the bedrock and the sense of identity of the community.

■ Objective 2.1

Improve the quality of life for the residents of rural communities by providing access to decent, safe, affordable housing.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Build leveraging partnerships to expand resources going into rural areas.
- Direct resources to the neediest families and communities.
- Work with rural communities to ensure housing funds are wisely invested.
- Expand self-help housing to all 50 States.
- Provide leadership for the President's Homeownership Initiative in rural areas.

Performance Measures

- Provide 75,000 rural households with improved or more suitable housing, through home ownership programs.
- Provide 100 communities with improved rental housing.
- Relieve 4,000 rural households in Multi-Family Housing (MFH) projects of rent overburden.
- Create or retain 107,000 jobs through the Single Family Housing (SFH) program.
- Improve 41,000 existing single-family homes.
- Add 34,000 new single-family homes to the tax base of local communities.
- Generate \$9.7 billion of income in the local communities through program activity.
- Provide 7,900 rural households with improved or more suitable housing through rental housing programs.

■ Objective 2.2

Improve the quality of life in rural America by providing essential community facilities.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Build leveraging partnerships to expand resources going to rural areas.
- Direct resources to the neediest projects and communities.
- Work with local communities to ensure funds are wisely invested.
- Support Welfare Reform by promoting development of day-care facilities.

Performance Measures

- Participate with 419 funding partners in financing community facilities.
- Provide 15,000 child care days as a result of RHS/LISC Child Care Initiative.
- Assist 500 communities with new or improved essential community facilities.
- Provide 28 new day care projects providing 70,000 child care days.
- Provide new or improved essential community facilities for 15 million people.
- Reduce patient travel time and distances to health care facilities in 21 communities.
- Shorten fire/rescue emergency response times in 35 communities.
- Create or retain 24,500 jobs in community facilities projects.

■ Objective 2.3

Direct Rural Development program resources to those rural communities and customers with the greatest need.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Establish an Outreach Program and Outreach Liaison Position to improve service to underserved and under represented communities.
- Improve accessibility of Rural Development programs for Native Americans.
- Utilize Geographic Information System to improve targeting of funds.

Performance Measures

- Invest 30 percent of SFH guaranteed funds in areas where the average median income is less than the States' non-metro median income.
- Invest 5 percent of MFH funds in targeted areas.
- Invest 3.5 percent of CF direct and 1.5 percent of CF guaranteed in EZ/EC communities

■ Objective 2.4

Maximize the leveraging of loan funds to increase the number of rural residents assisted by Rural Development programs.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Develop joint funding agreements with partners.

Performance Measures

- Assist 2,750 families to achieve home ownership by using leveraged funds.
- Participate with 750 funding partners in financing low-income housing.
- Assist in the development of 313 community facilities projects by using leveraged funds.

■ Objective 2.5

Manage the loan portfolio in a manner that is efficient and effective.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Improve portfolio and debt management by implementing the Dedicated Loan Origination and Servicing (DLOS) system.
- Reinvent the Multi-Family Housing (MFH) Program, including completion of automation projects to improve program management.

Performance Measures

- 98 percent currency rate for Community Facility (CF) borrowers.
- 97 percent currency rate for Multi-Family Housing (MFH) borrowers.
- 90 percent currency rate for Single Family Housing (SFH) borrowers.
- Reduce paperwork burden in Multi-Family Housing (MFH) by 25 percent.
- Graduate 9,860 Single Family Housing (SFH) borrowers to conventional credit.
- Graduate 75 Community Facility (CF) borrowers to conventional credit.

Goal 3

MODERN AFFORDABLE UTILITIES.

Rural Development will improve the quality of life of rural residents by promoting and providing access to capital and credit for the development and delivery of modern, affordable utility services.

Access to safe drinking water and modern, affordable utilities is critical if a community is to prosper. An estimated 2.5 million rural Americans have a critical need for safe, dependable drinking water, including approximately 1 million residents who do not have water piped into their homes.

The telecommunications program provides capital, establishes telecommunications standards, and provides policy guidance for rural telecommunications in the Administration's National Information Infrastructure Initiative. The Information Superhighway can provide rural residents access to libraries, training centers, vocational schools, and other institutions located in metropolitan areas and support rural businesses. It also provides improved health care through linkage with other rural health care providers and urban medical centers for clinical interactive video consultation, distance training of rural health care providers, and access to medical expertise and library resources.

As part of the restructuring of the electric utility industry, Rural Development is ensuring the continued availability of reliable, high-quality electric service at a reasonable cost to rural consumers. Many rural electric and telecommunications systems are aging and the obsolete infrastructure must be replaced and improved.

■ Objective 3.1

Improve the quality of life in rural America by providing technical assistance and financing for modern, affordable water and waste water services in rural communities.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Continue to build leveraging partnerships to expand resources going to rural areas.
- Direct resources to the neediest projects and communities.
- Work with local communities to ensure funds are wisely invested.
- Achieve the goals of Water 2000 by bringing safe, clear drinking water to every rural household.

Performance Measures

- Provide central water and waste disposal service to 277,000 rural residents who previously did not have service.
- Provide 1.7 million people with safe, affordable drinking water.
- Provide quality drinking water through the development or expansion of 722 rural water systems.
- Provide 648,000 people with improved, safe, affordable waste disposal service.
- Invest \$25 million of W&W funds in EZ/EC communities.

■ Objective 3.2

Improve the quality of life in rural America by providing technical assistance and financing for modern, affordable telecommunications services, including distance learning and telemedicine facilities, in rural communities.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Continue to build leveraging partnerships to expand resources going to rural areas.
- Where applicable, direct resources to the neediest projects and communities.
- Work with borrowers and grantees to ensure funds are wisely invested.
- Implement the President's National Information Infrastructure Initiative thereby increasing educational and health care levels in rural areas.

Performance Measures

- Connect 250,000 new telecommunications subscribers.
- Provide 1.8 million residents and businesses with improved telecommunication service.
- Provide 46 schools with transmission facilities for distance learning applications.
- Provide 2.3 million rural residents and businesses with education or training experiences through distance learning facilities.
- Provide distance learning facilities to 1,095 schools.
- Provide telemedicine facilities to 1,819 health care providers.

■ Objective 3.3

Improve the quality of life in rural America by providing technical assistance and financing for modern, affordable electric service to rural communities.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Continue to build leveraging partnerships to expand resources going to rural areas.
- Where applicable, direct resources to the neediest projects and communities.
- Work with borrowers to ensure funds are wisely invested.

Performance Measures

- Upgrade 110 rural electric systems.
- Benefit 1.6 million residents with improved electrical systems.
- Generate \$7.5 billion of income in the local communities through the Electric, Telecommunications, and Water & Waste (W & W) programs.
- Generate over 26,000 jobs as a result of electric facilities constructed with RUS funds.

■ **Objective 3.4**

Where applicable, direct Rural Development program resources to those rural communities and customers with the greatest need.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Establish an Outreach Program and Outreach Liaison Position.
- Implement the Rural Community Advancement Program (RCAP).
- Improve accessibility of Rural Development programs for Native Americans.
- Achieve the goals of Water 2000.

Performance Measures

- Provide 56 new or improved health care facilities in medically underserved areas.
- Provide financial assistance for 216 water and waste systems in the 540 persistent-poverty counties.
- Provide financial assistance for 183 water and waste systems in the 700 counties with persistently declining populations.
- Provide financial assistance for 45 electric systems in the 540 persistent poverty counties.
- Provide financial assistance for 80 electric systems in the 700 counties with persistently declining populations.

■ **Objective 3.5**

Maximize the leveraging of loan funds to increase the number of rural residents assisted by Rural Development programs.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Where possible, increase the leveraging of RUS funds with borrowers and supplemental lenders.

Performance Measures

- Leverage \$6 of private funds in rural telecommunications infrastructure for every \$1 of RUS telecommunications program loan advances.
- Leverage \$2.75 of private funds in rural electric infrastructure for every \$1 of RUS electric program loan advances.

Management Initiatives

■ **Management Initiative 1**

COMMUNITY CAPACITY BUILDING

Rural Development will provide information, technical assistance, and, when appropriate, leadership to rural areas, rural communities and cooperatives to give their leaders the capacity to design and carry out their own rural development initiatives.

The preceding three goals recognize that rural development involves providing financial assistance. This management initiative adds the understanding that a successful comprehensive community development process also involves technical assistance. Mission area programs can also provide technical assistance to rural communities and cooperatives, often in partnership with public and private organizations.

Time Frame for Completion

FY 2002

Strategies for Achieving the Management Initiative

- Provide guidance to rural leaders on sources of technical assistance, which will help them assess community strengths, plan for the future, and prepare applications for assistance.
- Use local and state coordinating bodies, such as planning districts and the State Rural Development Councils, to identify alternative sources of funding for rural projects.
- Implement collaborative rural economic and business development training for rural organizations, involving other Federal, State, and local agencies, and organizations.
- Expand the base of knowledge and understanding of the rural development mission area employees in economic and business development, evaluation methods and operations, and analyzing the social/economic dynamics of rural areas and communities.

Performance Measures

- Assist 400 communities with the development of applications for assistance from non-Rural Development sources.
- Establish State Rural Development Councils in the remaining 14 States.
- Establish 150 formal relationships with other rural development partners.
- Attend and participate, in a leadership or trainer role, in business development and community leadership programs.
- Provide cooperative research and educational materials to 75,000 customers.

■ Management Initiative 2

INNOVATION, LEARNING, AND CONTINUOUS IMPROVEMENT.

Rural Development will design and implement new and innovative internal initiatives which strengthen its ability to help rural residents and communities.

The mission area's resources are being adjusted as a result of the Administration's and Congress' joint efforts to balance the Federal budget. To adapt to available resources, yet still achieve the mission area's Goals, Rural Development must be innovative in improving its processes, systems, and organizational structure.

The performance measures used throughout this plan are based upon data in the existing systems. Future system enhancements will be based on the needs of the programs and will add to the base of data available to measure progress.

■ Partnerships and Coordination

As a part of the Secretary's initiative on Administrative Convergence, close coordination will occur with the Assistant Secretary for Administration, the Chief Information Officer, and the Chief Financial Officer.

Time Frame for Completion

FY 2002.

Strategies for Achieving the Management Initiative

- Support the establishment of USDA Service Centers and encourage their use as a resource for the local community.
- Develop Rural Development information and technical infrastructure that will improve service delivery through more effective information systems.
- Assure accurate financial reporting for customers by implementing the Rural Development Century 2000 Project.
- Develop and install a GPRA-driven planning system to accurately and efficiently measure impacts (outcome) of Rural Development programs on recipients, communities, and rural economies; with the ability to relate performance measures to future requests for funding.
- Enhance Rural Development's ability to track and monitor administrative and program funds appropriations and provide accurate reports to all internal customers.
- Implement the requirements of the Debt Collection Improvement Act.
- Improve financial management and reporting to reduce number of outstanding audit issues.

Performance Measures

- Co-locate all Rural Development field offices in USDA Service Centers.
- USDA Service Center staff will be the primary resource in outreach efforts for its programs.
- Have an operational New Guaranteed Loan System (NGLS) by December 1998.
- Have an operational Departmental-wide Telecommunications Enterprise Network by September 1998.
- Replace the obsolete RUS Wang System by September 1998.
- By March 1999 at least 60 percent of the RUS Modernization Project will be operational.
- Migrate and implement MFH applications to the USDA Service Center technical architecture by December 1999.
- Have more accessible information due to the employment of WEB technology.
- Replace distributed legacy systems, such as the Management Record System (MRS) by December 1999.
- By the end of 1999 all Rural Development automated systems will recognize the year 2000 in mathematical calculations.
- Implement USDA's Foundation Financial Information System (FFIS).
- Reduction in the number of outstanding financial statement audit issues.
- Reduce outstanding audit issues related to financial management and reporting.
- Where appropriate, Rural Development will participate in Treasury's tax offset and loan servicing programs.
- By 1999 all disbursements are made electronically.

■ Management Initiative 3

EMPLOYEE EXCELLENCE.

Rural Development will create and sustain a work environment that develops and fosters partnerships, cooperation, full and open communications, teamwork, mutual respect, and maximum individual development.

Most USDA agencies have traditionally relied on a top-down management approach. Achievement of our Goals in a manner that includes partnering with community-based rural development organizations will require us to change our management approach and workplace environment.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Establish communication channels throughout the mission area to ensure that employees have the information necessary to implement mission-area-wide policies and that senior managers understand and address employees' questions and concerns.
- Develop a workforce capable of delivering a full range of financial and non-financial services in support of rural development activities.
- Instill the value of cultural diversity in all Rural Development personnel and develop a workforce which is representative of the diversity of the areas in which they work.
- Revise the performance appraisal system to include the accomplishment of goals and objectives of the strategic plan and incorporate employee input on how managers can enhance their managerial performance.
- Include in the recognition and rewards system a linkage to the accomplishment of the goals and objectives of the strategic plan.

Performance Measures

- Publish results of partnership efforts in Rural Development internal publications.
- Pre/post course assessments show employees' acquisition of critical skills.
- Demographics of staff in the National Office, Finance Office, Centralized Servicing Center, and each State are reflective of the local community.
- Implement a reengineered performance appraisal system.
- Implement the new employee recognition and rewards system policies and practices.

■ Management Initiative 4

QUALITY CUSTOMER SERVICE.

Rural Development will foster and continually strengthen an internal culture that focuses on and is driven by customer needs, both internally and externally, systematically acts to make internal processes and individual actions responsive to the needs of customers, and assures that all customers and employees are treated fairly, equitably, and with dignity and respect.

The mission area is committed to providing all customers, whether they are members of the general public or employees, with courtesy and equal treatment. Rural Development has also made a commitment to listen to its external customers and to

take action to resolve their concerns. Feedback from customers is critical when determining customer needs, identifying processes in need of reengineering and measuring the effectiveness of Rural Development programs.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Implement processes to systematically obtain feedback from internal and external customers.
- Review those processes, regulations, and reporting procedures identified by the customer as being too burdensome and revise as needed to give them a customer-friendly orientation based on concepts of simplicity, ease of use, and adoption of modern technologies. Assure that the needs of socially disadvantaged customers are addressed when making revisions.
- Ensure applications for loans and proposed adverse decisions affecting socially disadvantaged customers are treated equitably.
- Assure that administrative support services to agencies, all State Rural Development offices, and all programs are customer-focused and committed to providing outstanding and equitable service to all internal customers.

Performance Measures

- Survey customers at least every other year for each appropriate program and administrative area.
- Customer feedback data received for each program area is used to identify problems and initiate corrective action.
- Average timeframes for processing applications, requests for servicing actions, and adverse decisions for each class of applicant will be within 10 percent of the timeframe for the same activity for all applicants.

Linkage of Goals to Annual Performance Plan

An annual performance plan will be prepared each fiscal year to accompany the Rural Development budget request. The plan will consist of annual performance measures directly linked to the general goals, objectives and strategies contained in the strategic plan. It will outline an annual increment of the key strategies called for in the strategic plan and any additional strategies that are required to implement Rural Development objectives and achieve current performance goals. It will also contain baseline data for the measures for the 2 fiscal years prior to the budget year.

The data systems used by the Rural Development mission area contain elements responsive to many needs other than this plan. The performance measures included in this plan are selected indicators of success in achieving the goals and are based on data currently available in the existing systems. As new systems are developed and refined, additional data will be available for measurement of future performance.

Most of the performance measures used in this plan will also be used in the annual performance plan. However, additional or different measures may be used in any given year to report on priority concerns related to the Goal or to make use of new data that has become available. For example, a strategy under Initiative 4, "Quality Customer Service", is to periodically survey external customers. This information, when available, will be a useful measure for reporting on program delivery.

The annual performance plan will constitute the basic management tool to direct the application of resources to implement key strategies and identify specific efforts that will be used to achieve goals, objectives and performance measures. Performance plans will include estimated staff years and program costs required to achieve performance goals.

Upon completion of the fiscal year for which the annual performance plan was prepared, a report to Congress will be made defining achievement of the performance goals.

Goal 1 is linked to the Business and Industry program, Intermediate Relending Program, Rural Business Opportunity Grants, Rural Business Enterprise Grants, Rural Economic Development Loans and Grants, Cooperative Services' Research on Cooperatives, Appropriate Technology Transfer for Rural Areas, and the Cooperative Development Grant Program.

Goal 2 is linked to the Community Facilities Program, the Multi-Family Housing Program and the Single Family Housing Program.

Goal 3 is linked to the Electric Program, Telecommunications Program, including Distance Learning and Telemedicine, and the Water and Waste Water Disposal Program.

RD

Resources Needed

Completion of this strategic plan can be accomplished within current and anticipated future levels of resources. However, to become a comprehensive community development organization, Rural Development needs to streamline its operations so that staff is available to perform the new functions expected of them. The second critical piece of this transition is providing training to the staff so employees know what is expected of them and have the skill needed to meet those expectations. Severe reductions of resources, beyond what is currently anticipated, will adversely affect achievement of the plan.

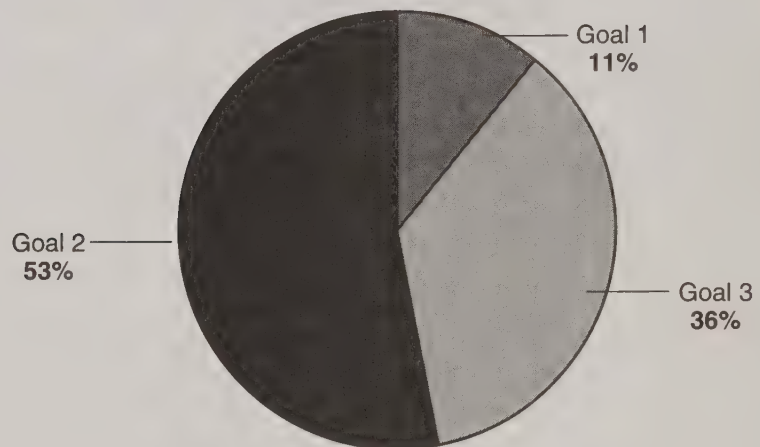
Resource Priorities

The resource allocation priorities for the programs administered by the Rural Development Mission area are a function of the Congressional appropriations and authorizing committees. In fiscal year 1997, of a total program level of \$8,160,284,000, 53 percent was appropriated to the Rural Housing Service, 36 percent to the Rural Utilities Service and 11 percent to the Rural Business-Cooperative Service. The Appropriations Committees have, at the Administration's request, included certain reservations of funds for specific areas, including Empowerment Zones/Enterprise Communities, Colonias, and Native Alaskan villages. These funds are reserved generally until the fourth quarter of the fiscal year, and if not used for the specific purposes, become available for other applicants. Within those priorities a key mission area policy is increased emphasis on the 500 rural counties that have experienced persistent poverty for the past four decades. Another policy emphasis is the Water 2000 initiative which targets resources to the estimated 2.5 million rural Americans who have some of the Nation's most serious drinking water availability, dependability and quality problems; including the approximately 1 million rural Americans without access to drinking water in their homes.

In particular, the Empowerment Zones/Enterprise Communities program assists communities with high levels of poverty by empowering them to implement sustainable, locally controlled strategic economic and community development activities. The program requires communities to build comprehensive, strategic, and citizen-con-

trolled 10-year community development plans. Then, based on their 10-year plan, program funds produce increased jobs, improved job skills, and expanded and improved community services. Federal funds are leveraged with resources from businesses, government, and non-profit sources.

Allocation of Program Resources by Goal



Program Evaluation

Program and management concerns, as a result of Congressional mandates, Administration initiatives, and internal studies have been identified and were considered in the development of this plan. For example:

- A Congressional mandate to escrow taxes and insurance for single family housing customers led to the establishment of a centralized servicing center, development of a new automated system, and substantial reorganization of field offices.
- Congressional and public concerns about having to deal with a variety of USDA offices has led to the Field Service Center initiative and the Administrative Convergence initiative.
- Weaknesses identified in audits on the guaranteed programs resulted in the development of a new guaranteed accounting system.
- Public concerns about treatment of minority applicants and borrowers led to the establishment of the Secretary's Civil Rights initiative.

In addition, the strategic plan development was guided by findings in GAO and OIG audits such as the following:

- Rural Development: Patchwork of Federal Programs Needs to be Reappraised.
- Rural Development: USDA's Approach to Funding Water and Sewer Projects.
- Rural Development: Steps Towards Realizing the Potential of Telecommunications Technologies.
- Empowerment Zones - Enterprise Communities.
- Business and Industrial Loan Program - Restructuring Loan Processing Servicing Activities.
- Rural Rental Housing Program Management Operations

RBS has initiated periodic outside evaluation reviews to assess its Cooperative Services operations, programmatic emphases and operational structure.

The policies defined in the strategic plan will be implemented through new regulations and systems. Rural Development will evaluate the impact of these strategically driven changes through Management Control Reviews, State Internal Reviews, and findings in future audits.

Role of External Entities

This plan was developed by Rural Development employees with facilitation services provided by outside contractors. Stakeholders provided significant contributions in the development of the plan through their participation in focus groups and listening forums held at the State and national levels.



RD

Alternative Agricultural Research and Commercialization (AARC) Corporation Strategic Plan

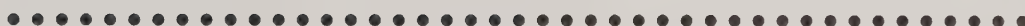


Table of Contents

Introduction	9-3
Key External Factors	9-4
Mission	9-4
Goals	9-4
Management Initiatives	9-6
Linkage of Goals to Annual Performance Plan	9-8
Resources Needed	9-8
Program Evaluation	9-8
Role of External Entities	9-8



Introduction

The Alternative Agricultural Research and Commercialization (AARC) Corporation was created as part of the 1990 Farm Bill on November 28, 1990, and was officially established as an agency of the U.S. Department of Agriculture on March 18, 1992. Originally organized as the Alternative Agricultural Research and Commercialization Center, AARC became a wholly owned government corporation with the passage of the Federal Agriculture Improvement and Reform (FAIR) Act of 1996. Program policy and oversight for the AARC Corporation is provided by a board of directors, composed of Federal and private sector scientists, producers, and business experts. As of September 30, 1996, there were seven full-time employees located in Washington, D.C.

AARC was established to help address the economic consequences of surplus agricultural production. It is designed to function as an investment fund to help commercialize non-food/non-feed products made from agricultural, forestry, and animal by-product raw materials. By using such raw materials, companies provide demand that is outside the relatively inelastic food and feed sectors, thus providing a market for agriculture's excess production capacity. In turn, this contributes to rural development by increasing farm income and generating new jobs.

AARC works in a coordinated and complementary effort with the Agricultural Research Service, the Forest Service, the Cooperative State Research, Education and Extension Service, the Small Business Innovation Research program, and the Rural Business-Cooperative Service. Several of the companies in which AARC has invested grew from research done in USDA laboratories and/or were financed in earlier stages by other USDA entities. AARC also works with these agencies as a member of USDA's Bio-based Products Coordination Council. AARC's strategic plan has been reviewed by these and non-USDA agencies as part of the GPRA review process.

Goal 1 of this strategic plan supports the USDA Strategic Goal 1 (Expand economic and trade opportunities for agricultural producers and other rural residents) and 3 (Promote sensible management of our natural resources) and the following USDA Subgoals:

- 1.1 Enhance the economic safety net for farmers and ranchers,
- 2.2 Open, expand, and maintain global market opportunities for agricultural producers,
- 1.3 Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents; and
- 3.1 Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.

In an effort to improve USDA coordination of industrial agriculture efforts, Secretary Glickman approved the establishment of the Bio-based Products Coordination Council on September 13, 1995. Departmental Regulation 9600-2 supersedes the February 22, 1991, regulation entitled "Industrial Products from Agricultural Materials." The new regulation sets forth the policy of the department with "regard to the development and use of bio-based industrial products and processes from agricultural and forestry materials and to establish collaborative strategies and systems to accelerate such development."

Part of the mission of the Council is to..."meet on a regular basis to share information, implement strategic planning, and provide policy advice to the Secretary..." and to host a government-wide conference on procurement of value added industrial products from agricultural materials. That conference, the National Marketplace for the Environment, is being held November 18-20, 1997, at the Washington, DC, Convention Center. The "Marketplace", although initiated by AARC and the Council, is now being supported by all mission areas of USDA as well as the Department of Energy, the Environmental Protection Agency, General Services Administration, Department of Defense, and others.

Attendance and participation by policy and procurement officials from most Federal agencies, and the White House, is anticipated. USDA is a charter sponsor of the conference.

AARC's board of directors developed a strategic plan prior to the requirement for a GPRA Strategic Plan. That initial plan serves as the basis for this plan. The milestones expressed in the initial plan were based on the collective agricultural, scientific, and business expertise of the board of directors. The investment milestones established for this plan are taken from AARC's business plan that was published in December 1996.

Legislative Mandates

Subtitle G of Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 ("FACT Act"), Pub. L. No. 101-621, as amended by Title VII, Subtitle A, Chapter 2 of the Federal Agriculture Improvement and Reform Act of 1996, Pub. L. No. 104-127 ("FAIR Act") (7 U.S.C. 5901 et seq.).

Key External Factors

Three circumstances beyond AARC's control can contribute to or hinder AARC's ability to meet its business plan goals. These are a lack of outside capital available to match AARC investment funds, insufficient enforcement of environmental regulations, and amendments to the Agricultural Acquisition Regulations (AgAR) and Federal Acquisition Regulations (FAR) to reflect AARC's statutory procurement preference.

Lack of private sector capital becomes a hindrance to AARC because by law AARC funds are required to be matched on a dollar-for-dollar basis with outside capital. Lax enforcement of environmental laws and regulations has an adverse effect on the market for the products of AARC-funded companies. Many of these products were developed to replace hazardous substances or products in use prior to the promulgation of these laws and regulations.

Finally, the preferential procurement language provided for AARC in the FAIR Act of 1996 gives Federal procurement officials greater latitude in purchasing products from AARC companies. To expedite this process, both the Agricultural Acquisition Regulations (AgAR) and the Federal Acquisition Regulations (FAR) must be amended. The amended AgAR Regulations will be submitted for a 60-day comment period in September 1997.

Mission

The mission of AARC is to support the commercialization of new products that involve innovative uses of agricultural and forest products while creating investments.

AARC serves as a bridge between technology and commercialization. Its ultimate objectives are the establishment of profitable renewable resource-based products and companies, new jobs, and development in rural America. AARC has a special responsibility to help in the development of products with favorable environmental impacts, and those that replace imported petroleum with U.S. renewable resources.

Goals

Goal 1

To accelerate the commercialization of industrial and consumer products made from renewable agricultural, forestry, and animal by-product raw materials.



■ Objective 1.1

Catalyze the development of profitable U.S. companies that manufacture products from renewable agricultural, forestry, and/or animal-based raw materials.

Time Frame for Completion

September 2002

Strategies for Achieving the Objective

- Invest in projects that meet AARC objectives. Focus funds on: processes that are environmentally friendly, products with identifiable markets; companies with entrepreneurial leadership and a strong management team; and primarily on start-up and small companies.
- Broker with other organizations to fund quality proposals that the AARC is unable to fully fund.
- Develop formal and informal information networks that include potential sources of projects, financing, and business/technical advice.

Performance Measures

- Establish Investment Partnerships: AARC's target is to invest \$54 million in 60 companies engaged in the manufacture of bio-based products. The purpose of the investments will be to create new companies or strengthen existing ones, as well as earn a return on investments for AARC.
- Leverage Private Sector Investment Funds: AARC's target is to leverage \$162 million of private sector funds to match its \$54 million in investment. The private sector funds will increase the likelihood of AARC's investments contributing to successful companies, as well as earning a return for AARC.

■ Objective 1.2

Contribute to economic development and job creation in rural areas.

Time Frame for Completion

September 2002

Strategies for Achieving the Objective

- Build partnerships between and among appropriate local, State and Federal agencies, universities, private companies, and cooperatives so as to accelerate commercialization and long-term viability of renewable resource-based ventures.

Performance Measures

- Create jobs in rural America: AARC's target is to create 10,000 new jobs in rural America. Companies that use bio-based materials as their raw products must process and manufacture the goods close to the raw material's source. Due to their typical high-volume/low-value nature, such raw materials cannot be shipped profitably over long distances. Thus, the employment opportunities derived from AARC investments will be predominantly rural.

■ Objective 1.3

Contribute to more profitable and efficient use of limited natural resources.

Time Frame for Completion

September 2002

Strategies for Achieving the Objective

- Invest in projects that meet AARC objectives. Focus funds on: processes that are environmentally friendly, products with identifiable markets; companies with entrepreneurial leadership and a strong management team; and primarily on start-up and small companies.

Performance Measures

- Expand use of agricultural land: AARC's target is to have 500,000 acres of farmland engaged in the production of raw materials for use by AARC-funded companies. These acres are anticipated to be acres currently out of production for economic reasons, such as set-aside programs.
- Conserve non-renewable resources: By using renewable resources as raw materials for manufacturing, AARC's target is to conserve 1 million barrels of petroleum.

■ Objective 1.4

Reduce or eliminate the need for appropriated funding for AARC by September 2002.

AARC's business plan identifies three rates of return for its investments — low (0%), medium (6%), and high (10%). To be independent of appropriated funds by 2002, AARC should be achieving at least a 6 percent return.

Time Frame for Completion

December 1998

Strategies for Achieving the Objective

- Obtain private-sector assessment of AARC's net future value.
- Identify the appropriate future structure for AARC per the FAIR Act of 1996; i.e., private entity or Government Sponsored Enterprise.

Performance Measures

- Achieve 6 Percent Annual Rate of Return.

Management Initiatives

AARC is serving as the focal point for the development of an internet-based database for bio-based products. The database will link inventors, entrepreneurs, scientists, investors, and other interested parties through a website known as the Agricultural Clearinghouse. AARC is also working with the Small Business Administration (SBA) to place AARC-funded companies on SBA's newly developed Ace Net. Ace Net is a website open to independent investors — individuals of \$1 million net worth, or greater — seeking investment opportunities. Both of these efforts are undertaken to help AARC meet its goal of establishing companies that manufacture products made from bio-based materials.

■ Management Initiative 1

AARC is funding the establishment of the Internet-based Industrial Agricultural Clearinghouse. In addition to information at the Agricultural Clearinghouse website itself, there will be links to websites of other organizations — including AARC's and other USDA Agencies — that can provide information to those interested in the areas of new crops or new uses (non-food/non-feed) for old crops. The Agricultural Clearinghouse will serve as a one-stop site for those interested in all aspects of developing bio-based products.

Time Frame for Completion

March 1998

Strategies for Achieving the Management Initiative

- Identify all related websites already established on the Internet.
- Construct a website for the Agricultural Clearinghouse.

Performance Measures

- AARC's goal is to have the Agricultural Clearinghouse website visited a minimum of 1,000 times per year.

■ Management Initiative 2

The SBA has established Ace Net for the so-called "angel investor" to find new investment opportunities. The bio-based products niche is a new investment opportunity, and including AARC-funded companies on the Ace Net website will improve their chances of attracting private capital.

Time Frame for Completion

March 1998

Strategies for Achieving the Management Initiative

- Complete filing requirements to register AARC-funded companies with Ace Net.

Performance Measures

- AARC's goal is to attract \$5 million in private capital to its companies through Ace Net investors.

Linkage of Goals to Annual Performance Plan

All of the performance measures used in this plan will also be used in AARC's annual performance plan, however the indicators in some cases will vary. Also, General Goal 1 is related to commercializing industrial products from agricultural materials. The performance of AARC-funded companies is measured annually using the AARC Project Monitoring Summary. This performance survey provides annual data on a company's gross revenue, net income, debt-to-equity ratio, export-generated revenue, raw material costs, and repayments to AARC. It also tracks the degree to which the company's production has contributed to the marketplace replacement of imported petroleum or commodities, value added to raw material, agricultural material/acreage used, and jobs created. These measurements will be incorporated into AARC's annual performance plan as an element of Goal 1.

Resources Needed

No significant change from current resource demands is anticipated for AARC to achieve its goals and objectives.

The FAIR Act of 1996 dictates that AARC must invest 84 percent of its appropriated funds in commercialization projects. The remaining 16 percent is split statutorily between administrative expenses (15 percent) and project monitoring (1 percent).

Program Evaluation

A Project Monitoring Summary was used and will continue to be used to evaluate each AARC investment. This provides the basis for an annual, on-site review conducted by AARC board members and staff. Plans exist to make the results of these reviews the foundation of an outside audit of the AARC portfolio conducted annually to determine the net present value of each investment and of the entire AARC portfolio. Additionally, AARC has a contract with the Kansas Technology Enterprise Corporation (KTEC) to develop a software program to assist the AARC Corporation in tracking and monitoring existing projects. The data base is configured to allow for maximum information collection. This information will then be utilized to extract performance data. The system should be in place by early 1998.

AARC published a business plan, which was used in the development of this plan, in December 1996 that projects three rates of return for its investments — low (0%), medium (6%), and high (10%). (The internal rates of return for the three scenarios are, respectively, 4.25 percent, 8.25 percent, and 14.25 percent.) The rate of return for the low and intermediate scenarios is less than the 13 - 20 percent expected for traditional venture capital activities. However, the value of rural job creation and the utilization of agricultural materials must also be taken into account. The projected rates of return serve as a benchmark for the board to measure the success of AARC's investments.

Role of External Entities

This current plan is derived from the initial strategic plan prepared for AARC by its first board of directors. In preparing that plan, the board held public hearings in eight different parts of the country to solicit ideas and suggestions on how AARC could best meet the needs of its clients. In addition, the plan reflects the private sector expertise of its board members.

Departmental Administration Strategic Plan



Table of Contents

Introduction	10-3
Key External Factors	10-4
Mission	10-4
Goals	10-5
Management Initiatives	10-12
Linkage of Goals to Annual Performance Plan	10-12
Resources Needed	10-12
Program Evaluation	10-13
Role of External Entities	10-13



Introduction

Departmental Administration (DA) is USDA's central administrative management organization with responsibility for the leadership and oversight for cross-cutting administrative management activities in each of the USDA's mission areas and staff offices. In support of USDA's goal to expand economic and trade opportunities for agricultural producers and other rural residents, DA's operations and activities involve timely, accurate, and high-quality delivery of products and services related to civil rights; small and disadvantaged business utilization; outreach programs; human resources management; procurement and property management; and safe and healthy work environments. To support USDA's efforts to promote good government and provide our services efficiently and effectively, DA is committed to ensuring that USDA's administrative processes and systems are the best in the business. DA will work in partnership with USDA's mission areas, staff offices, and external agencies to successfully meet diverse customer needs and to improve administrative management activities in conjunction with the technological, demographic, and financial challenges and opportunities before us. DA will continually reassess and adapt its strategies in response to changing customer and employee needs, resource allocations, and statutory and regulatory requirements. These efforts combine to support USDA's goals of ensuring a safe, affordable, nutritious, and accessible food supply, and providing a sensible management of our natural resources. Accomplishment of our goals and objectives will enable DA to significantly improve customer service and establish DA's reliability as a center of excellence in administrative business practices and policy.

Legislative Mandates

In addition to the Government Performance and Results Act, the National Performance Review, and the various other administrative and statutory requirements that guide the activities and programs conducted in Departmental Administration, much of the activities and processes in operation in DA fulfill various legislative mandates. The goals, objectives, and tasks incorporated in this strategic plan will allow DA to successfully respond to these requirements through our various programs and activities.

The Office of Civil Rights (OCR) provides Department-wide policy development, leadership, coordination, and oversight to prohibit discrimination in all aspects of the employer-employee relationship on the basis of race, color, sex, religion, or national origin under Title VII of The Civil Rights Act of 1964; to prevent inequitable payment to employees performing equal work with equal skills, effort, and responsibility, based solely on gender under the Equal Pay Act of 1963; to protect applicants and employees aged 40-70 from age discrimination in hiring, promotion, discharge, pay, fringe benefits, and other aspects of employment in accordance with the Age Discrimination Act of 1967; and to prohibit unreasonable discrimination on the basis of age in programs or activities receiving Federal financial assistance in response to the Age Discrimination Act of 1975. In response to the Civil Service Reform Act of 1978, the OCR works to ensure that the USDA workforce is reflective of the Nation's diversity.

In response to the Government Organizations and Employees Act (Title 5 U.S. Code of Federal Regulations) and Administrative Personnel Act (Title 5 CFR), DA's Human Resource Management (HRM) staff provides high-quality leadership, stewardship, consultation, guidance, programs, and services to provide a competent workforce that meets the HRM expectations of USDA customers. In addition to satisfying these statutory requirements, HRM also works to fulfill all Executive Orders from the President, such as the Welfare to Work and Career Transition Assistance programs.

To fulfill the requirements of the Executive Order on Customer Service, Title 7 CFR Section 2.24, and the Federal Crop Insurance Reform and USDA Reorganization

Act of 1994 (P.L. 103-354), DA is committed to providing best-in-the-business administrative management, policies, products, and services.

By maintaining and operating buildings, facilities, and lands; and providing cost-efficient, centralized services such as health units, mail and other distribution, and printing and duplicating services, the Office of Operations satisfies P.L. 92-313, 40 U.S.C. 486, the Public Contracts and Property Management Act (CFR 41 Chapter 101), the Occupational Safety and Health Administration Act (CFR 29 Parts 1900-1926), and Executive Order 12902 on Energy Efficiency and Water Conservation at Federal Facilities.

The Office of Small and Disadvantaged Business Utilization fosters the use of small, disadvantaged, minority, and women-owned businesses as Federal contractors, and acts as a prime contractor and enters into contracts with other Federal agencies, negotiating subcontracts with small companies within the program. These activities are conducted under the Minority Business Enterprise, the Women's Business Enterprise Program, and the Small Business Competitiveness Program by authority of P.L. 95-507, P.L. 100-656, and 15 U.S.C. FAR 19.8.

DA's Procurement and Property Management (PPM) staff acquires, manages, uses, accounts for the costs of, and disposes of personal and real property and aircraft under Title 41 CFR Chapter 101 Federal Property Management Regulations, and OMB Circular A-126 on Improving the Management and Use of Government Aircraft. In response to Executive Order 13031 Federal Alternative Fueled Vehicle Leadership, PPM fulfills the alternative fueled vehicle acquisition requirements, and enters into contracts solely to achieve energy savings, installs energy and water conservation measures, and incorporates waste prevention and recycling under the Energy Policy Act (P.L. 102-486).

The Hazardous Waste Management Group serves as resource and advisor for environmental compliance, pollution prevention and source reduction (P2/SR), reducing potential liabilities in property transactions, environmental justice, and other environmental management issues, concepts, and systems in accordance with the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C., 9601), the Resource Conservation and Recovery Act (Title 42, U.S.C. 6961), the Pollution Prevention Act (42 U.S.C. 13101 et seq.), and the Oil Pollution Act (33 U.S.C. 2701 et seq.).

Key External Factors

Executive and legislative direction and the voice of the customer combine to present the requirement and the mandates for greater efficiency, effectiveness, and accountability in program and service delivery. Balancing the budget, the Government Performance and Results Act and the National Performance Review, and public opinion about the amount and quality of our programs and products are the key change agents that will drive DA's operations and activities.

Mission

To provide the most effective and efficient administrative management and leadership in the delivery of its products and services to support USDA agencies and enable the Department to reach its programmatic goals.

Goals

***** Goal 1

All USDA employees and customers are treated fairly and equitably with dignity and respect. The USDA will have the best civil rights record among Federal agencies. (USDA-wide goal)

As USDA's lead organization for civil rights policy and direction, DA will dedicate resources to: 1) Implement the Civil Rights Action Team (CRAT) recommendations; 2) review, and as necessary revise, administrative and program policies and resources to focus more attention on civil rights and equal employment opportunities, as well as strengthen outreach efforts to underserved customers; 3) improve the timeliness and responsiveness of the complaint process and system; and 4) hold agency heads accountable for implementation of agency outreach plans through a civil rights element in performance standards. We are committed to increasing the opportunities for small and disadvantaged businesses to participate in USDA contract and program activities.

■ Objective 1.1

Fully implement the CRAT report recommendations that were approved by the Secretary of Agriculture.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Develop plans, policies, and strategies and obtain funding to implement the approved CRAT recommendations.
- Develop a legislative package to revise existing farm policies to improve services to minority farmers.
- Modernize civil rights systems and processes.

Performance Measures

- Fewer civil rights formal complaints by both customers and employees
Baseline: 600 per year
Target: 200 per year
- Number of backlog complaints
Baseline: 2,271
Target: 0
- USDA services more accessible to minority farmers
Baseline: Accessibility of USDA programs being determined by Civil Rights Implementation Team (CRIT) process
Target: Increase accessibility by 50%

■ Objective 1.2

Establish outreach programs to meet needs and expectations of underserved customers.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Establish an outreach office.
- Identify customer needs and expectations of underserved customers.
- Develop and implement outreach policy and procedures.

Performance Measures

- Customer satisfaction
 - Baseline:** Customer satisfaction based on a customer survey conducted with underserved customers (FY 98)
 - Target:** Increase customer satisfaction by 50%
- Number of underserved customers reached and full USDA services provided
 - Baseline:** Number of traditional underserved customers (to be determined in 1998)
 - Target:** Reach 50% of underserved customers with full services and products

■ Objective 1.3

Increase opportunities for small, disadvantaged, and women-owned businesses to participate in USDA contract and program activities.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Establish and implement policies and procedures that enhance agency accountability and use of small, disadvantaged, and women-owned businesses to fulfill USDA program and contract requirements.
- Establish partnerships and pilot initiatives to increase the utilization of small businesses, while providing the expected support to our customers.
- Establish a USDA Federal small business advisory committee to provide guidance and partnerships and enhance support for small business use.
- Modernize the delivery of technical and contract assistance information, and support agency solicitation of bids and contracts with small, disadvantaged, and women-owned businesses.

Performance Measures

- Annual participation rates of small, disadvantaged, and women-owned businesses.
 - Baseline:** 10% of current annual contracts are small business set-asides
 - Target:** 50% of annual contracts are small business set-asides

Goal 2

Provide leadership to efficiently and effectively manage human and administrative resources throughout USDA. (USDA-wide goal)

Based on the goals and priorities of USDA leadership, DA has the lead in simplifying and streamlining human and administrative resources and systems to the greatest extent possible. We intend to reduce the amount of administrative responsibilities cur-

rently handled in USDA's mission areas and agencies by addressing organizational tasks of providing policy, guidance, direction, standards, management, priority setting, and performance. We will provide information and resources to mission areas and agencies affected by reforms. We plan to link the right activities and ideas with the right individuals who are dedicated to adding value to our customer service.

We recognize the need for a highly skilled and productive workforce and are working to ensure that every employee has the skills and tools required to successfully perform his or her job. We are building a strong and skilled administrative management community as the foundation for delivering quality administrative products and services throughout the USDA. We recognize the increasing level of cultural diversity in the USDA workforce, and will train employees and managers to maximize the potential for integrating the various skills and opportunities that diversity affords.

■ Objective 2.1

Ensure core uniformity in key administrative policies for procurement, operations, and human resources management throughout USDA.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Coordinate with agencies to develop clear, current, concise, and consistent policy and procedures.
- Simplify administrative policies.
- Identify and use technology to enhance the dissemination and understanding of policies and guidance.
- Develop a feedback process to capture customer issues and concerns.
- Plan and develop, in coordination with the Office of the Chief Information Officer, the administrative convergence activities for the county-based agencies.

Performance Measures

- Customer satisfaction
 - Baseline:** Customer satisfaction based on a customer survey conducted with underserved customers (FY 98)
 - Target:** Increase customer satisfaction by 50%
- Administrative convergence
 - Baseline:** Administrative workforce to keep pace with projected programmatic \ reductions
 - Target:** Reduce administrative staffing as recommended by Administrative Convergence Action Team (ACAT)

■ Objective 2.2

Improve Human Resources Management throughout USDA.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Establish requirements for training and development of employees, supervisors, and managers.
- Develop employee and peer review surveys to assess managerial competency.
- Modernize the Human Resource Management systems and processes.
- Manage the integration of cultural diversity in the USDA workforce.
- Institutionalize a team-based culture.

Performance Measures

- Employee grievances
 - Baseline:** Approximately 30 formal grievances (FY 1997)
 - Target:** Reduce formal grievances by 50% per year
- Increased employee productivity and enhanced program delivery
 - Baseline:** Current costs of HRM processes and systems
 - Target:** Cost savings of 30% by FY 2002, with 15% annually thereafter, and redistribution of resources to training and modernization of other HRM systems and processes

■ Objective 2.3

Provide modern, efficient, and cost-effective procurement and property systems and processes, in concert with our customers, to support USDA programs.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Design, develop, test, and implement procurement and property systems that will deliver timely, cost-effective products and services.
- Implement USDA-wide the reengineered purchase card and convenience check processes.
- Utilize Performance Based Service Contracting (PBSC).

Performance Measures

- Use of Performance Based Service Contracting (PBSC)
 - Baseline:** PBSC use is limited and inconsistent
 - Target:** PBSC is used in all contracting, where appropriate
- Timely and cost-effective delivery of property processes and systems
 - Baseline:** Current costs of property processes and systems
 - Target:** An annual 5% decrease in systems operating costs
- Timely and cost-effective delivery of the purchase card and convenience checking process and system
 - Baseline:** Current level of purchase card transactions for actions of \$2,500 or less
 - Target:** An annual 20% increase in the number of purchase card transactions for actions of \$2,500 or less

Goal 3

Ensure responsible management and cleanup of hazardous materials and waste, and the responsible and efficient use of USDA buildings and space. (USDA-wide goal)

USDA promotes the responsible management of public lands and protects and restores critical forest land, rangeland, wilderness, and aquatic ecosystems. In coordination with the Forest Service (FS), Agricultural Research Service (ARS), Farm Service Agency (FSA), Office of the General Counsel (OGC), and other USDA agencies, DA will clean up and restore facilities and lands contaminated with hazardous waste, and will implement a hazardous material and waste management program that focuses on the effective use and conservation of natural resources and ensures that the workplace is healthy and safe.

■ Objective 3.1

Clean up and restore facilities and lands contaminated with hazardous waste.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Administer and allocate funding for the USDA hazardous waste cleanup program.
- Oversee agency enforcement and cost recovery activities for consistency with USDA policy and procedures.
- Conduct monitoring and oversight reviews (clean-up schedules).

Performance Measures

- Number of sites requiring cleanup
Baseline: Approximately 2,000 USDA sites may need cleanup
Target: Will clean up or ensure the cleanup of 150 sites by 2002

■ Objective 3.2

Implement the Strategic Space Plan in the National Capital region to provide a safe and healthy workplace for USDA employees, better utilize USDA buildings and space, and reduce long-term leasing costs.

Strategies for Achieving the Objective

- Modernize the South Building and relocate staff from leased space to Beltsville.
- Accomplish physical security upgrades and achieve a realistic and effective security posture in the headquarters complex.

Performance Measures

- Use of available USDA office space
Baseline: 1.545M sq. ft. of leased space
Targets: Reduce leased space by 136,000 sq. ft. to 1.409M by 1999
Restoration of South Building will be 70% complete by 2002

Goal 4

Provide services and products that meet or exceed customer expectations at a reasonable cost. (DA and USDA-wide goal)

USDA's administrative community will provide continuous improvement in program, product, and service delivery. We understand the diversity in organizational missions and operations and will issue reliable, timely, and value-added administrative policies and procedures that enhance the success of USDA's programs. We will have an administrative workforce that (1) clearly understands who our customers are, inside and outside the USDA, and (2) meets or exceeds our customers' expectations.

We will consult with Federal and public sector organizations to ensure that we are conducting our business in the most effective and efficient way to meet our customers' needs. We will listen carefully to our customers' issues and concerns.

■ Objective 4.1

Deliver efficient and effective administrative management to Departmental Administration's customers.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Evaluate existing systems, policies, and processes to ensure that customers are the main focus.
- Develop and implement a customer input and feedback process.
- Establish a baseline of service delivery effectiveness and cost.
- Develop and implement a customer service marketing strategy to increase customer satisfaction.

Performance Measures

- Customer satisfaction

Baseline: Perform an inventory to identify customer service training and technology requirements

Target: Train 20% of the DA workforce in customer service and effective communication techniques

■ Objective 4.2

Implement training and technology to enable mission areas and staff offices to deliver high-quality products and services.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Develop requirements for training and development of supervisors/managers.
- Develop and implement an organizational approach to training.
- Modernize DA's automated systems and practices.

Performance Measures

- Expertise of DA staff

Baselines: Define requirements and initiate training surveys
Perform technology assessment

Targets: Train 60% of supervisor/managers
Automate 35% of the administrative management systems within
USDA

■ Objective 4.3

Improve customer service throughout USDA by institutionalizing effective quality management and business modernization practices.

Time Frame for Completion

December 2002

Strategies for Achieving the Objective

- Establish and implement a disciplined approach to identifying customer requirements and expectations, activities that create and support team-based organizations, and rewards and recognition programs.
- Develop and implement a comprehensive quality management program for all USDA employees.
- Pilot quality management initiatives within USDA agencies.
- Develop modernization practices that increase productivity and reduce costs of products and services.

Performance Measures

- Institutionalization of Quality Management

Baseline: No DA staff offices are currently implementing a quality management program

Targets: Develop a quality management methodology in 1998
Three DA staff offices will implement quality management in 1998
Three additional DA staff offices will implement quality management in 1999
Implement the quality management program in five USDA mission areas by 2002

Management Initiatives

In designing and implementing its programs, DA works in partnership with the USDA mission areas and staff offices, such as the Office of the Chief Information Officer (OCIO), the Office of the Chief Financial Officer (OCFO), and within the Departmental Administration organization. Through this network, and in response to customer feedback, numerous initiatives were recently undertaken in DA. Most notably, the Civil Rights Action Team (CRAT) conducted interviews and listening sessions with USDA customers and farmers to learn about civil rights in USDA. The Civil Rights Implementation Team (CRIT) is working to institutionalize the recommendations that resulted from the CRAT research into civil rights deficiencies in the Department.

Secretary Glickman recently requested DA, in co-leadership with the OCIO, to undertake administrative convergence of the county-based agencies (Natural Resources Conservation Service, Farm Service Agency, and Rural Development). This planned administrative convergence will reduce redundant activities and simplify procedures, and can reduce costs.

DA's modernization of administrative processes includes in its customer base all USDA mission areas, staff offices, and employees who use administrative processes to support or deliver USDA programs. Several modernization projects, which include civil rights, human resources, procurement, quality management, and organizational development and change management, are in progress.

Linkage of Goals to Annual Performance Plan

The goals in this strategic plan include qualitative measurements of the nature and direction of the desired outcomes. They are supported by baselines and targets outlined in each organizational plan and other planning documents. These are the bases for the annual performance plans which will contain additional breakdowns of the baselines and targets by fiscal year. In the FY 1999 Annual Performance Plan a projected completion of 25% of our long-term goals will be accomplished.

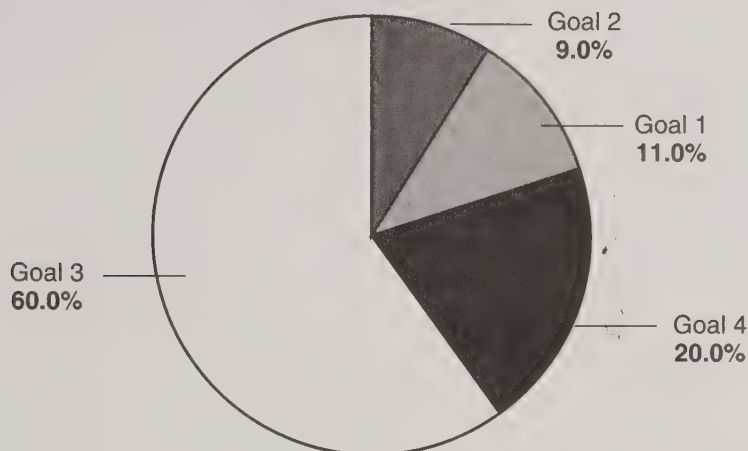
Annual performance measures in the form of specific outputs and expected outcomes have been established for each of the goals and objectives of the Strategic Plan. The achievement of these outputs and outcomes will be tracked annually to assess DA's progress towards achieving its strategic goals and objectives. The resources (FTEs and funding) indicated in the annual performance plans are critical to achieving the annual performance goals for that year. There is a direct link between the performance measures and goals of the annual performance plan and the goals and objectives of the strategic plan (5 Years).

Resources Needed

DA will continue to maximize program results within available resources and consequential adjustments resulting from a balanced Federal budget. The day-to-day DA workload has been accomplished at the current resource level by implementing a streamlining plan that resulted in reducing staff by about 15 percent since 1993, and going through several reorganizations to improve efficiency and effectiveness. New mandates have added responsibilities in the civil rights and administrative convergence areas, and DA must also correct longstanding functional deficiencies that have been pointed out by USDA and other oversight reviews. Workload redistribution, further reinvention efforts, partnerships, and resource sharing (including funding and staffing support for business modernization initiatives) will allow DA to accomplish a large percentage of the tasks and objectives required to meet the strategic plan goals. However, the strategic plan, as submitted, requires some additional resources that will be included in the President's annual budget request if DA is to successfully support USDA mission areas and programs as the administrative areas of USDA agencies are also reduced.



FY 1997 DA Budget Allocation



Appropriated and Working Capital Fund

Program Evaluation

There are documented baselines for various segments of DA. The baselines, combined with analysis of the gaps between the baselines and the goals, provided a realistic and accurate assessment of DA, and identified where DA needed to focus its resources to achieve the desired organizational culture and effectiveness. We also conducted surveys of DA's internal and external customers, partners, and stakeholders. To assess the effectiveness of the objectives and tasks for attaining the stated goals, we intend to conduct quarterly and annual reviews of goals, objectives, and accomplishments and refine or perform corrective action as necessary. In addition, we will establish performance standards for all managers and employees to ensure accountability for accomplishing our goals and objectives. We will also continue to respond to General Accounting Office and Office of Inspector General audits, to implement the recommendations of the Civil Rights Action Team, and to conduct and respond to customer surveys.

The Role of External Entities

Customers and stakeholders identified a number of the most important external factors, such as Congressional appropriations; OMB streamlining goals; regulatory reform; technological change; and environmental, safety, and health requirements. Internal feedback included recommending eliminating unnecessary internal rules and policies that interfere with improving processes and that do not add value. Sound business decisions, both external and internal, require integrated programs, systems, and processes supported by timely, accurate, and meaningful information. Agencies and customers outside of the DA have played a significant role in the development of this plan, and will continue to play a significant role in implementing DA's strategic plan, annual performance plans, and administrative management business process modernization efforts. The plan was prepared by federal personnel.



Departmental Offices

Strategic Plans

Departmental Offices' strategic plans

National Appeals Division (NAD)	11-3
Office of Budget and Program Analysis (OBPA)	11-13
Office of Communications (OC)	11-21
Office of the Chief Economist (OCE)	11-33
Office of the Chief Financial Officer (OCFO)	11-45
USDA Financial Management Plan	11-59
Office of the Chief Information Officer (OCIO)	11-73
Office of the General Counsel (OGC)	11-89
Office of the Inspector General (OIG)	11-99

Offices

National Appeals Division (NAD) Strategic Plan



Table of Contents

Introduction	11-5
Key External Factors	11-5
Mission	11-6
Goals	11-6
Management Initiatives	11-8
Linkage of Goals to Annual Performance Plan	11-10
Resources Needed	11-10
Program Evaluation	11-10
Role of External Entities	11-11

Introduction

The National Appeals Division (NAD) of the U. S. Department of Agriculture was established by the Secretary of Agriculture on October 20, 1994, by Secretary's Memorandum 1010-1, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P. L. 103-354, section 271 et seq. (October 13, 1994)). The Act consolidated the appellate functions and staffs of several USDA agencies to provide for independent hearings and reviews of adverse agency decisions. NAD's organizational structure was approved by the Secretary on May 14, 1996, and interim final regulations governing NAD appeals were published on December 29, 1995.

NAD is responsible for all administrative appeals arising from program activities of assigned agencies, as well as such other administrative appeals arising from decisions of agencies and offices of USDA as may be assigned by the Secretary. NAD appeals involve program decisions of the Farm Service Agency, Risk Management Agency, Natural Resources Conservation Service, Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service.

NAD currently has a staff of 132, including hearing and review officers and support personnel. NAD maintains its headquarters office in Alexandria, Virginia, and administers its appeals system through three regional offices located in Memphis, Tennessee; Indianapolis, Indiana; and Lakewood, Colorado. There are 78 hearing officers dispersed geographically throughout the Nation and operate out of leased office space or home offices.

NAD receives an average of 6,000 appeal requests per year. About 40 percent of these cases are withdrawn by the appellants, are filed late, or are not appealable to NAD. Most of the remaining cases involve an evidentiary hearing, although a small number are decided, at the request of the appellant, after a review of the record. Hearing officers issue more than 3,000 determinations each year. The appellant or the head of an agency may seek a Director's review of the hearing officers determination. Annually, appellants request about 850 reviews, while heads of agencies request about 240 reviews.

NAD has a single mission — to determine appeals arising from the program operations of assigned agencies. NAD has no control over its case volume; NAD can neither increase nor reduce the number of cases that come before it.

Legislative Mandates

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P. L. 103-354).

Partnership and Coordination

NAD relies heavily on the Department for administrative services to carry out NAD's mission. NAD relies on the Department to provide expertise and assistance with procurement, human resources, civil rights, and process modernization activities. NAD relies on the Office of General Counsel (OGC) to assure compliance with statutory requirements.

Key External Factors

On-time performance can be affected by a variety of circumstances including for example: requests for hearing delays by parties, keeping the record open due to unprepared parties, and other factors.

Federal court rulings which apply to NAD proceedings could affect the need to expand the current training curricula and necessitate additional employees. The severity and frequency of natural disasters affect the caseload and may affect "on time" performance targets.

Continued increased transportation costs, particularly for air travel, could have a negative effect on cost-reduction efforts. Demand for face-to-face hearings and NAD's statutory requirement for conducting hearings in the state of residence or otherwise convenient location could minimize savings realized by conducting telephone hearings.

Mission

To conduct evidentiary administrative appeal hearings and reviews arising from program operations of assigned agencies.

Goals

Goal 1

Issue timely and accurate determinations that recognize the rights of program participants and promote the lawful operation of agency programs.

This goal supports USDA Goals 1.1, Enhance the economic safety net for farmers and ranchers, 1.3, Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents; and 3.1, Promote sustainable production of food and fiber products while maintaining a quality environment and strong natural resource base.

■ Objective 1.1

Increase "on-time" performance target for adjudicating appeal cases.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Monitor and track all cases to assure compliance with statutory and regulatory deadlines.

Performance Measures

- Achieve 98 percent "on-time" compliance with statutory and regulatory requirements for adjudicating appeal cases.

1997 Baselines

- Average time required to issue appeal determinations. (76.84 days)
- Average time required to issue appellant review determinations. (38 days)
- Average time required to issue agency review determinations. (16 days)
- Develop more accurate measurements for on-time performance.

■ Objective 1.2

Provide determinations that are consistent with the laws and regulations of the assigned agencies.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Continue hearing officer training and provide additional decisional information on a timely basis.

Performance Measures

- Achieve a 90 percent performance target in the number of appeal cases upheld on review.

1997 Baseline

- Percent of hearing officer determinations upheld on review. (86%)

■ Objective 1.3

Decrease the number of appeal determinations on which a review or reconsideration is requested.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Continue hearing officer training and provide additional decisional information on a timely basis.

Performance Measures

- Achieve a 10% performance target decrease in the number of appeal determinations on which a review or reconsideration is requested.

1997 Baselines

- Percent of determinations for which appellant requests review. (29.6%)
- Percent of determinations for which agency requests review. (7.6%)
- Percent of review determinations for which reconsideration is requested. (4%)

■ Objective 1.4

Assess the quality and customer satisfaction of NAD determinations each year.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Create a method to assess customer satisfaction, and identify and implement changes prompted by such feedback.

Performance Measures

- Assure customers receive timely, well-reasoned determinations on their appeal cases.
- Improve customer satisfaction of the adjudication process.

Management Initiatives

Target

- Survey 300 customers to establish standards of customer service and to measure customer satisfaction. Conduct 100 quality assurance reviews each year to assess the quality of NAD determinations.

1997 Baselines

- Number of quality assurance reviews completed. (36)

Increase professionalism, improve technology, enhance efficiency and reduce costs. These are key components of issuing timely and well-reasoned determinations in a cost-effective manner which support the Division's goal.

■ **Management Initiative 1**

Attain a professional workforce, trained and recognized for excellence, working in an environment that attracts and retains the best personnel to ensure mission accomplishment.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Develop essential training for all personnel and use Individual Development Plans to provide a higher level of professionalism among employees.
- Retain the best personnel by identifying and rewarding employees who have achieved high performance standards.
- Provide continued training on EEO, Civil Rights, and Special Emphasis Programs.
- Comply with all USDA required training.

Performance Measures

- Improve employee skills and professionalism.
- Eliminate supportable civil rights complaints.

Targets

- Complete essential training for management support staff, hearing officers, and review officers.
- Develop and maintain an awards and recognition program that encourages and recognizes quality, innovation, and productivity of work product.
- Continuation of no supportable civil rights complaints.

1997 Baselines

- Percent of hearing and review officers and support staff completing essential training. (15%)
- Percent of employees receiving recognition awards. (70%)
- Number of supportable civil rights complaints. (0)

■ Management Initiative 2

Improve information technology to provide needed tools and other resources to employees, provide outputs required for tracking, reporting and assessment, and support connectivity and outreach to promote understanding of the NAD appeals process among interest groups and individuals.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Establish an effective data base to enable the tracking, processing, reporting, and statistical analysis of workload.
- Provide adequate computer technology to all NAD employees including access to case tracking and precedent systems, E-mail, and commercial reference sources.
- Inform prospective appellants of NAD's rules of procedure through as many means as possible, including USDA's Internet.

Performance Measures

- Improve efficiency and management control of NAD operations with technology.
- Improve customer access to NAD decisions.

Targets

- Design and implement data base for tracking appeal cases.
- Provide all employees with access to up-to-date, reliable computer and printing hardware and software including Local Area Network (LAN) and E-mail.
- Design and implement NAD home page as adjunct to USDA Internet presence.

1997 Baselines

- Number of staff members with LAN and E-mail. (54)
- Number of staff members with Internet access. (0)

■ Management Initiative 3

Enhance efficiency and cost reduction, while maintaining productivity through the development and demonstration of new techniques, methods, and strategies in Division operations.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Identify and improve administrative, management and financial accountability controls by reducing identified weaknesses.
- Complete the development of an administrative handbook covering NAD activities.
- Reduce travel costs.
- Reduce the cost per appeal.



Performance Measures

- Reduce the risk of fraud, waste, abuse, and/or mismanagement.
- Enhance efficiency in adjudicating appeal cases.
- Improve NAD accountability of public expenditures.

Targets

- Reduce identified weaknesses by 10%.
- Develop and implement a management and financial accountability plan.
- Achieve a 10-percent reduction in travel costs.
- Develop baselines to determine cost per appeal.

1997 Baselines

- Travel dollars for FY 1997. (\$342,000)

Linkage of Goals to Annual Performance Plan

NAD strategic plan includes one goal with numerous objectives and three management initiatives. NAD's goal is to issue timely, well-reasoned determinations that recognize the rights of program participants and promote the lawful operation of agency programs. The management initiatives could be considered elements of the goal because they are key components to issuing timely and well-reasoned determinations. However, for purposes of measuring results and tracking dollars spent, the management initiatives have been established for strategic planning purposes. The Annual Performance Plan will measure the four objectives in the Strategic Plan as well as the three management initiatives contained in the Strategic Plan. Subsequent annual performance plans will be developed to address shortfalls in performance and to reflect the impact of reduced resources and fluctuations in workload due to external factors. We intend to hold employees accountable for complying with statutory timeframes, issuing quality administrative and adjudicative decisions, and meeting requirements as outlined in their performance elements and standards through use of NAD's Annual Performance Plan. Our goal is linked to budget line Program activity: National Appeals Division.

Resources Needed

Staff level reductions reflected in the budget are in accordance with OMB and Department guidelines. The allocation of existing resources will be subject to careful, continuing evaluation and redeployment as the initial means to address Division priorities identified in the Annual Performance Plan. Develop and implement an appeals tracking system and a management information system. Expand access to LAN and E-mail and implement Internet access. Continued adoption of technological advancements and an emphasis on skill training will maximize the productivity of NAD employees. Resource increases or decreases will be linked directly to NAD's stated goal and objectives, and will be evaluated in the context of the impact on long-term objectives. Mandated statutory or judicial changes in NAD proceedings or an increased case load could require more resources in the future.

Program Evaluation

NAD evaluated informal assessments received from appellants and agencies whose decisions may be appealable to NAD, and public comments received in response to draft rules of procedure published in the Federal Register to formulate the strategic plan. Also considered were assessments received by the agency appellate units that were consolidated to form NAD; those included audits and recommendations by the

Office of Inspector General (OIG), the General Accounting Office (GAO), and Congressional oversight.

Performance indicators and baselines have been established and will be used by NAD to evaluate program results. Both output and outcome indicators have been developed. Because Congress gave NAD a precise, narrow mission, it is unlikely that future performance indicators will change significantly. However, existing performance indicators may be refined or modified as indicated by experience.

In addition to annual performance measures, NAD will continue to monitor the effects and implications of its activities through quality assurance reviews, management and financial accountability control plans, customer surveys of appellants and agency officials. In addition, OIG audits, GAO reports, and informal feedback from assigned agency officials, appellants and their representatives, and interest groups will be considered. Evaluations of specific program elements will be conducted as needed.

NAD has scheduled the use of customer surveys to assess the level of customer satisfaction with the efficiency, fairness, and competence afforded by the appeals process. NAD has implemented quality assurance reviews to assure compliance with statutory and regulatory requirements. Information gathered from the surveys and reviews will be used for future evaluation to assure the intended objectives in the strategic plan are met.

Role of External Entities

NAD developed its Government Performance Results Act goals and performance indicators based on two sources of data:

- Comments received following publication in the Federal Register of the proposed rule for NAD's Rules of Procedure (May 22, 1995), and the interim final rule (December 29, 1995).
- Background materials pertaining to NAD's legislative history.

Because NAD is a relatively new organization, limited analysis of NAD activities has been performed by governmental oversight agencies or public users. The plan was developed by Federal employees.

NAD

Office of Budget and Program Analysis (OBPA) Strategic Plan



Table of Contents

Introduction	11-15
Key External Factors	11-15
Mission	11-15
Goals	11-15
Management Initiatives	11-18
Linkage of Goals to Annual Performance Plan	11-19
Resources Needed	11-20
Program Evaluation	11-20
Role of External Entities	11-20

OBPA

Introduction

The Office of Budget and Program Analysis (OBPA) was established in June 1981. OBPA's predecessor organization was established on July 8, 1922, by Secretary's Memorandum No. 389, under the provisions of the Budget and Accounting Act of 1921, which designated that a Budget Officer was to have charge of the preparation of estimates and other appropriations for the Department. The agency's current major activities consist of coordinating the preparation of the Department's budget estimates, legislative reports and regulations, and providing selected program analysis. OBPA is one of several Department-level offices that provide centralized leadership, coordination, and support for the various administrative and policy functions of the Department, helping program agencies in their efforts to deliver service to all USDA customers. OBPA's key partners and stakeholders include the USDA policy staff, USDA agencies, the Office of Management and Budget (OMB), and selected committees of the Congress. Comments regarding draft versions of OBPA's strategic plan were received from the Senate Agriculture Committee, OMB, and USDA policy staff and agencies.

OBPA aids the Secretary and other Departmental and agency officials in making informed management decisions regarding the Department's programs and resources. OBPA provides centralized coordination and direction of the Department's budgetary functions including development, presentation, and administration of the budget; reviews program and legislative proposals for program and budget related implications; analyzes program and resource issues and alternatives; and prepares summaries of pertinent data to aid Departmental policy officials and agency program managers in making informed decisions. OBPA also provides Department-wide coordination for the presentation of budget-related matters to the committees of the Congress, the news media, and the public, as well as for the preparation, coordination, and processing of the USDA legislative program, legislative reports, and regulatory actions.

Key External Factors

Many factors, external and beyond the control of OBPA, exist which could significantly affect the achievement of the goals and objectives in this strategic plan. Most importantly, OBPA depends heavily on working relationships with other organizations and individuals to accomplish its mission, including USDA agencies, policy officials, OMB, and Congress. Cooperation, support, and information from these entities is essential to the achievement of OBPA's goals and objectives.

Mission

The mission of OBPA is to provide analyses and information to the Office of the Secretary and other policy officials to support informed decision making regarding the Department's programs and policies, budget, legislative proposals, and regulatory actions.

Goals

Goal 1

Assist the Office of the Secretary and other policy officials in decision making and policy implementation by providing objective information and analyses regarding the Department's programs and policies.

■ Objective 1.1

Conduct policy and program analyses, and other reviews that provide timely, objective, and analytically sound information.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Conduct reviews of current programs, proposed programs, organizational plans, and reorganization proposals.
- Conduct reviews of problem areas perceived to be impacting management efficiency.
- Develop reports, briefing papers, and issue statements for action by decision-making officials setting forth findings and recommendations.
- Provide analysis and documentation for special studies of selected issues and problems.
- Ensure agency-developed material requiring action by the Office of the Secretary is analytically sound and consistent with Administration policy.
- Monitor ongoing studies with significant program or policy implications.
- Provide analytical support and program analyses for major Departmental initiatives.
- Review, in a timely manner, correspondence prepared for Secretarial or sub-cabinet signature for accuracy and consistency with Departmental policy.
- Review, in a timely manner, Congressional testimony, Questions and Answers, and other hearing documents for accuracy and consistency with Departmental policy.

Performance Measure

- Value and usefulness of the information and analyses, as evidenced by its incorporation into the decision-making process and feedback from the Office of the Secretary.

Goal 2

Ensure the Department's budget is consistent with policy decisions and that resources are allocated to agencies consistent with priorities and applicable laws.

■ Objective 2.1

Coordinate the preparation and presentation of a Department-wide budget and monitor the allocation of resources to the agencies.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Develop and maintain the USDA Budget Manual, providing instructions and guidance for budget formulation and presentation.

- Provide comprehensive analyses of budget proposals and agency estimates.
- Develop alternatives and supporting data for use by policy officials in making budget decisions including reprogramming and reallocation of funding.
- Serve as liaison with the Executive Office of the President to justify and defend USDA's budget request.
- Prepare materials, including the USDA Budget Summary, for presentation of the budget to the Congress, news media, interest groups, and the public.
- Coordinate and prepare supporting justifications for budget requests to be presented to the House and Senate Appropriations Committees.
- Serve as liaison with the Appropriations Committees and their staffs for the purpose of scheduling hearings, reviewing transcripts, and answering questions.
- Provide direction and oversight of the allocation and use of funds and staff years.

Performance Measures

- The USDA budget and its components are justified, consistent with policy direction, and submitted with the President's Budget.
- Due to the production of complete and concise explanatory notes, USDA programs and their funding are better understood by Department officials and Congressional staff, improving decision making regarding USDA programs.
- As a result of OBPA's monitoring of staff years, Departmental officials can make more informed staffing decisions to better manage programs and the delivery of services.

Goal 3

Ensure the Department's legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administration policy.

■ Objective 3.1

Provide appropriate oversight and analysis of legislative actions.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Provide comprehensive analyses of the potential costs and policy aspects/implications of proposed legislation to assist in the formulation of the Department's views.
- Advise policy officials of the results of analysis and the status of preparation and review of legislative proposals and reports.
- Prepare the Department's Legislative Program providing a summary of each legislative item proposed for introduction during the next session of Congress and estimate the budget impact when applicable.
- Coordinate the clearance of legislative proposals and reports through the Department and OMB, including responding to inquiries, maintaining transmittal and clearance records, and notifying agencies of USDA policy-level decisions and OMB action.
- Develop and maintain Departmental guidance (DM 1260-1) governing the preparation, review, and clearance of the annual legislative program and legislative reports.

Performance Measures

- Legislative reports and proposals are supported by sound analyses and consistent with Departmental policy enabling the Administration and Congress to formulate more accurate, effective, and responsive legislation.

■ Objective 3.2

Provide appropriate oversight and analysis of regulatory actions.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Provide a uniform system of guidance and assistance for preparing analyses as required under E.O. 12886, Regulation Planning and Review.
- Ensure regulations are in compliance with DR 1512-1, Regulatory Decision Making Requirements.
- Advise policy officials on contemplated regulatory actions through the review of work plans.
- Coordinate and provide appropriate assistance in the preparation of the USDA portion of OMB's Regulatory Plan and the Semi-Annual Regulatory Agenda.
- Serve as USDA Government-wide contact on all regulatory, including the National Performance Review Regulatory Review Initiative, and Federal Register matters.
- Coordinate the clearance of regulations through USDA policy officials and OMB, including responding to inquiries, maintain transmittal and clearance records, and notifying agencies of policy decisions and OMB action.
- Coordinate and monitor agencies' progress in meeting the goals of the NPR initiative to review, reinvent, and eliminate Federal regulations.

Performance Measures

- Due to the Semiannual Regulatory Agenda, the public is informed about the rules USDA plans to publish and the changes affecting delivery of services and regulations.
- As a result of thorough work plan review from a programmatic and policy standpoint, agencies are guided in the development of rules and regulations consistent with Administration and Departmental policy.

Management Initiatives

The achievement of the goals outlined in OBPA's strategic plan depends on our organizational infrastructure—our employees and our business processes. Because significant budget increases for the next few years are unlikely, OBPA, like most Government organizations, is searching for ways to do more with less. The management initiatives outlined below will help OBPA become a more efficient and effective organization.

■ Management Initiative 1

Build a more productive and diverse workforce.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Invest resources in training and employee development.
- Update office automation skills of support staff.
- Ensure general information, decisions, and instructions are clearly communicated in a timely manner.
- Ensure all employees are treated with dignity and respect and provided equal employment opportunities.

Performance Measures

- Percentage of employees who receive training.
- Number of EEO and discrimination complaints filed.
- A staff that reflects the general population of the Nation.
- Employee feedback.

■ Management Initiative 2

Improve OBPA's information management systems.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Design and implement a project management system to record and monitor the status of budget materials.
- Design and implement a system for tracking staff-year usage to ensure compliance with staff-year limits.
- Upgrade and relocate the present computerized legislative tracking system from the Washington Service Center to OBPA.
- Design and implement a database management system to record and monitor actions and progress with regard to USDA regulatory activities and reform.
- Update computer applications.

Performance Measures

- OBPA's information systems provide timely, reliable information to users.

Linkage of Goals to Annual Performance Plan

An annual performance plan will be submitted using the performance measures cited for the objectives under each of the goals of this strategic plan. The annual performance goals will be identical to the goals in this strategic plan. Some of the annual performance goals will be supported by output-type performance indicators. Although the substance of the work changes from year to year, OBPA's role in the Department and its responsibilities remain the same. To evaluate its performance, OBPA will assess on an annual basis whether or not the goals and objectives set forth have been accomplished. This assessment will consist of an internal review of each measure

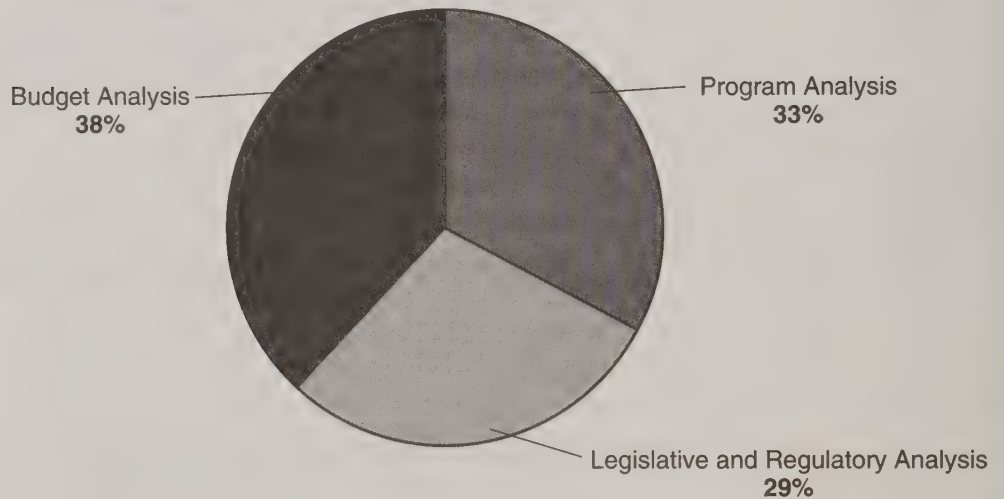
which will be based primarily on feedback from our partners and stakeholders and if possible, on objective and quantitative data.

OBPA has only one program activity, and thus only one appropriation for the Office of Budget and Program Analysis.

Resources Needed

A highly skilled, diverse workforce is OBPA's most important resource. Pay costs account for over 90 percent of OBPA's budget. Although OBPA will reduce its resource needs as operating efficiencies are implemented, the net effect will be the need for moderate increases as pay costs and inflation rise. In FY 1997 33 percent of our resources were dedicated to implementation of Goal 1, 38 percent to Goal 2, and 29 percent to Goal 3.

FY 1997 Budget Resource Allocations



Program Evaluation

OBPA did not use any formal program evaluations to develop this plan, and does not plan to use any in the future to review plan results. OBPA's performance is dependent upon a variety of uncontrollable factors, including a great deal of constructive cooperation from its partners and stakeholders. OBPA is often involved in high-level policy decision making where impacts are multi-dimensional and judgements subjective. Although many tasks have activities which can be counted such as briefings, reports, memorandums, correspondence, etc., which are useful indicators of workload, it is not necessarily the number of such activities that measure performance, but rather their value and usefulness to decision-makers. OBPA plans to use internal assessments and informal feedback from our partners and stakeholders to evaluate the overall objectivity, quality, value and usefulness of the work done related to each of the goals identified in this plan. To the extent possible this evaluation will be based on tangible results and examples of performance or non-performance. In the Annual Performance Report, OBPA will provide a narrative description of sufficient precision to allow for an accurate, independent determination of OBPA's performance.

Role of External Entities

This plan was developed exclusively by Federal employees.

Office of Communications (OC) Strategic Plan

Table of Contents

Introduction	11-23
Key External Factors	11-23
Mission	11-24
Goals	11-24
Management Initiatives	11-27
Linkage of Goals to Annual Performance Plan	11-29
Resources Needed	11-30
Program Evaluation	11-31
Role of External Entities	11-31

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 439
LECTURE 10

LECTURE 10

LECTURE 10

LECTURE 10

LECTURE 10

Introduction

The Office of Communications (OC) coordinates communications with the American public about USDA programs, functions, and initiatives; disseminates both general and technical information to USDA customers and constituency groups who depend on the Department's services for their livelihood and/or their personal well-being; and provides leadership for internal communications within the Department to its employees.

OC organization consists of a Communications Coordination & Review Center; Public & Media Outreach Center; Video, Teleconference & Radio (VTR) Center; Design Center; Photography Center; Printing Center—plus a press secretary's staff, speech writing staff, and administrative staff. OC has a staff of 123, all located at USDA's headquarters in Washington, D.C. Of the total staff, 95 positions are funded through the appropriations process and 28 positions are funded through the Department's Working Capital Fund (all in the VTR and Design Centers). OC's FY 1997 budget included \$8.138 million of appropriated funds and \$3.845 million from the working capital fund for work performed by the VTR and Design Centers.

OC developed its mission and goal from news media, constituent groups, and other customer feedback. Adopting new communications technologies and standards for delivery of information to USDA's vast audiences is the result of customers suggesting or demanding information be delivered through newer, faster means of communications. Use of the Internet and its world wide web, television, radio, interactive displays, etc. for communications came about from customer demand. OC studied other supportive data which indicate trends and methods in communications that can be adopted in order to deliver USDA information more efficiently and effectively to either broader or more selective audiences.

OC is the USDA unit which leads and coordinates carrying out of USDA's original legislative mandate. When Congress wrote the law establishing the U.S. Department of Agriculture in 1862, it said the new USDA's "general designs and duties shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of that word . . ." (U.S. Code Sec. 2201).

OC works closely with USDA agency communications, public affairs, and information staffs in coordinating and carrying out that legislative mandate, particularly when the efforts involve cross-cutting issues. Likewise, when issues involve other Federal departments and agencies, OC works with the other entities' public affairs or communications units to ensure unified messages are sent to the public. OC also maintains liaison with various constituent organizations, and State agency and land-grant university information offices to coordinate communications and to serve as the central point for issuing public information of nationwide interest developed by USDA—the "People's Department."

Key External Factors

A key factor that could significantly affect OC's goal is the public's changing interest in issues and USDA's need to provide information about those issues. Another key factor affecting OC achieving its goals is Congressional action on USDA's (and OC's) budget. Reductions in the budget will require a reevaluation of information programs and force choices to be made in reducing or reorienting OC's communications goal and objectives.

Mission

Provide leadership, coordination, expertise, and counsel for the development of consistent and timely communications strategies, products, and services that describe USDA initiatives, programs, and functions, so the widest scope of Americans have information that is helpful to their health and economic well-being.

Goals

Goal 1

Create greater awareness among the American public about USDA's major initiatives and services.

Increased knowledge of the general public (and specific publics, including USDA employees) about USDA initiatives, policies, and programs should result in more citizens—especially those in underserved communities and geographic areas—availing themselves of USDA services and information that will help them in their everyday lives.

■ Objective 1.1

Strengthen public knowledge and understanding of USDA's role in economic and trade opportunities for agricultural producers and other rural residents—a major goal of USDA.

Time Frame for Completion

FY 2002.

Strategies for Achieving the Objective

- Develop a public information/education strategy that incorporates and expands on current communications activities. Establish a baseline level of the public's knowledge and understanding so that measurable results can be developed in various demographic groups. Expend more effort in communicating the reasons for USDA decisions and actions which impact economic and trade opportunities for all farmers and ranchers and other rural residents.

Performance Measures

- Through surveys and other feedback, majority of public appears to understand USDA's role in strengthening the economic safety net for farmers and ranchers, in expanding and maintaining global trade for agricultural products and effect agricultural exports have on U.S. balance of trade and total economy, in promoting an efficient, fair and competitive domestic marketplace, and in providing access to capital and credit to expand economic opportunities and develop sustainable and livable rural communities.

Partnerships and Coordination

- This objective will be coordinated with USDA agency communications staffs, State departments of agriculture, land-grant universities, various agricultural producer organizations, and rural cooperatives.

■ Objective 1.2

Strengthen public knowledge and understanding about USDA's role in providing a safe, nutritious, accessible and affordable food supply for all Americans, and food for the hungry world-wide—a second major goal of USDA.

Time Frame for Completion

FY 2002.

Strategies for Achieving the Objective

- Develop a public information/education strategy that incorporates and expands on current communications activities. Establish a baseline level of the public's knowledge and understanding so that measurable results can be developed in various demographic groups. Expend more effort in targeting communications about USDA decisions and actions which impact on food safety and nutrition for everyone, on food assistance for needy Americans (including those affected by natural disasters), on food recovery for businesses and charitable organizations, and on eliminating hunger and providing food security in the United States and around the world.

Performance Measures

- Through surveys and other feedback, majority of public appears to understand USDA's science-based and regulatory role in reducing incidence of foodborne illness to the greatest extent feasible, in reducing hunger by assuring low-income households access to adequate supplies of nutritious food, in improving dietary practices and promoting nutrition and health, in expanding gleaning and other food recovery programs throughout the Nation, and in enhancing world food security and assistance in reduction of world hunger.

Partnerships and Coordination

- This objective will be coordinated with USDA agency communications staffs, State welfare and health agency and land-grant university information offices, consumer advocacy organizations, and food industry organizations.

■ Objective 1.3

Strengthen public knowledge and understanding of USDA's role in developing a healthy natural environment and ecosystem through sensible management of the Nation's natural resources for all Americans—a third major goal of USDA.

Time Frame for Completion

FY 2002.

Strategies for Achieving the Objective

- Develop a public information/education strategy that incorporates and expands on current communications activities. Establish a baseline level of the public's knowledge and understanding so that measurable results can be developed in various demographic groups. Expend more effort in communicating the reasons for USDA decisions and actions which impact the quality of air, water and environment, and protection of fragile forest land and wilderness ecosystems.

Performance Measures

- Through surveys and other feedback, majority of public appears to understand USDA's role in promoting sustainable production of food, fiber, and forestry products while improving the environment, and USDA's role in promoting sustainable management of public lands, and in restoring critical forest and range land, wilderness, and aquatic ecosystems.

Partnerships and Coordination

- This objective will be coordinated with USDA agency communications staffs, State agricultural and environmental agency and land-grant university information offices, agricultural producer organizations, and environmental organizations.

■ Objective 1.4

Strengthen USDA employees', and public's, knowledge and understanding of USDA's effective customer services and efficient program delivery to all citizens, especially to those in underserved communities and geographic areas—a major USDA management initiative.

Time Frame for Completion

FY 2002.

Strategies for Achieving the Objective

- Develop an employee information/education strategy that incorporates and expands current internal communications activities to help USDA employees understand the Department's goals and policy priorities (especially cross-cutting issues) and be more familiar with USDA programs and services. Establish a baseline level of USDA employees' knowledge and understanding so that measurable results can be developed. Also, establish a baseline level of formerly underserved publics' knowledge and understanding so that measurable results can be developed for this specifically targeted audience. Expend more effort in communicating the reasons for USDA decisions and actions which impact effective, efficient delivery of USDA information and services to all people, especially those who live in underserved areas.

Performance Measures

- Through surveys and other feedback, nearly all USDA employees understand that every employee and customer of USDA must be treated fairly and equitably with dignity and respect, and the need for restructuring and streamlining of USDA's field organization, and that nearly all USDA employees understand and support unified USDA systems for information technology management and financial management. Likewise, a majority of formerly underserved publics understand that USDA treats its customers fairly and equitably with dignity and respect, and the need for restructuring and streamlining of USDA's field organization for more efficient service.

Partnerships and Coordination

- This objective will be coordinated with USDA's Office of Human Resources Management, Office of Civil Rights, Office of Chief Information Officer, Office of Chief Financial Officer, other departmental staff offices, and USDA agency communications staffs.

Management Initiatives

■ Management Initiative 1

Improve access to and dissemination of USDA information to news media, constituent groups, and individual customers through more effective and efficient communications technology, methods, and standards.

This initiative supports the communications goal and objectives of expending more effort in communicating USDA information using most efficient and effective information technology.

Time Frame for Completion

Annually through FY 2002.

Strategies for Achieving the Management Initiative

- Upgrade databases written in outdated program language. Acquire new computers and software to handle digitized photographs, other visuals, video, and audio for Internet access. Improve presentation of digitized textual information for Internet access. Evaluate results of using latest, most efficient communications technology, methods, and standards in delivering USDA news and information to the news media, constituent groups, and other publics, and monitor and evaluate results of all USDA communications to the public about USDA programs and services.

Performance Measures

- All obsolete information technology equipment and software replaced in order to maintain efficient delivery of information in text, audio, and visual formats.

Partnerships and Coordination

- This management initiative will be coordinated with USDA's Office of Chief Information Officer and USDA communications and information technology offices.

■ Management Initiative 2

Improve communications efforts to reach groups working with citizens in underserved communities and geographic areas.

This initiative supports the communications goal and objectives, especially as they relate to reaching more people in underserved communities and geographic areas.

Time Frame for Completion

FY 2001

Strategies for Achieving the Management Initiative

- Use audio and video teleconferences, as well as public meetings, to communicate with representatives of minority groups who should be served by USDA programs and services.

Performance Measures

- Greater number of minority group representatives are reached through these special communications efforts. Eventually, at least 1,000 are involved in one or more such conferences per year.

Partnerships and Coordination

- Coordinate with USDA's Office of Civil Rights and its civil rights outreach staff, and USDA communications staffs.

■ Management Initiative 3

Integrate communications ingredients into USDA policy and program management discussions and decisions and then coordinate the communications element after defining audience of USDA action, especially in cross-mission initiatives.

This initiative supports the communications goal and objectives by ensuring that communications becomes an integral part of the USDA decision-making process.

Time Frame for Completion

Reach optimum level by FY 1999.

Strategies for Achieving the Management Initiative

- Communicate rapidly and accurately key information obtained from Subcabinet and other policy meetings to all those who will be involved in developing communications plans. After defining USDA audiences and best communications methods for reaching each, initiate and develop communications plan for all USDA cross-cutting or interagency initiatives, showing each mission's and/or agency's information role. Involve all needed OC units and mission/agency communications staffs in carrying out the plans and in evaluating the messages, methods, and results.

Performance Measures

- All major policy/program decisions, especially on cross-cutting issues, include communications elements, and written communications plans developed at least 30 days prior to launch or announcement of every cross-mission-area initiative or program priority, and at least 15 days prior to launch of single mission initiatives or program priorities. A marked increase in uniform knowledge about USDA policies and initiatives, as measured in USDA employee, partner organization, and public surveys.

Partnership and Coordination

- USDA agency communications staffs, State cooperating agency and land-grant university information staffs, constituency organizations, and/or various communications organizations.

■ Management Initiative 4

Develop an efficient and effective, results-oriented, public affairs community within USDA that provides high-quality communications products and services to USDA customers.

This initiative supports the communications goal and objectives by focusing attention on results or outcomes of the communications process.

Time Frame for Completion

Reach optimum level by FY 2001.

Strategies for Achieving the Management Initiative

- Provide improved centralized operations for design and production, review, and distribution of USDA messages and information to its primary customers and the general public to ensure that special customers and the general public get understandable and relevant information about USDA programs and services. Reassess OC organization to see if it is an efficient and effective centralized communications workforce, and reorganize as necessary to meet external and internal USDA customer needs. OC/agency task group reviews and revises USDA regulations to ensure they reflect current technology, methods, standards, and organization. Review and update USDA Freedom of Information Act (FOIA) and Privacy Act (PA) regulations and guidelines to ensure they reflect latest amendments on electronic access to the laws, OMB and Justice Department guidelines, including new electronic FOIA amendment. Foster accountability, through Government Performance and Results Act process, for communications management performance throughout USDA.

Performance Measures

- USDA regulations and guidelines (including FOIA and PA) reviewed and revised. FOIA documents provided in electronic format and electronic “reading room” established. Most printed and electronic public information products for national dissemination reviewed by OC. All OC employees’ individual performance plans linked to OC’s annual performance plan. Mission areas and agency annual communications performance plans linked to OC plan.

Partnerships and Coordination

- This initiative will be coordinated with USDA communications staffs, information technology and FOIA/PA officers, land-grant university information staffs, State agricultural and other cooperative agency communications officers, professional communications organizations (such as the Agricultural Communicators in Education), constituent organizations, and other associations with interest in USDA information and services.

Linkage of Goals to Annual Performance Plan

OC’s annual performance plans, prepared each fiscal year to accompany OC’s budget request, provide a direct link between outcomes, strategic approaches, and significant actions outlined in this strategic plan. The annual performance plans outline an annual increment of the actions called for in the strategic plan in order to achieve the general communications goal. For example, the annual performance plans call for surveying farm and rural-oriented groups to get feedback on that public segment’s understanding of USDA’s role in economic and trade opportunities for producers and rural residents; surveys of consumer and food/nutrition groups to provide feedback about public’s understanding of USDA’s role in providing a safe, nutritious, accessible, and affordable food supply for all Americans; feedback from environmental and educational groups to provide information about that public segment’s understanding of USDA’s role in developing a healthy natural environment and ecosystem through management of the Nation’s natural resources; and surveys of USDA employees to ensure they understand USDA’s role in enhancing customer service and efficient program delivery to all citizens.

Another key component of the annual performance plans is the development of baselines of public’s current understanding and knowledge of USDA mission, programs, and services, and then the measurement of improvement in that understanding and knowledge from the baselines.

The annual performance plans set annual performance goals for accomplishing specific actions in the strategic plan. They establish performance indicators that are used in annual performance reports to monitor whether the specific actions called for each year have been accomplished. The annual performance plans and reports will be used as basic management tools to direct the use of OC's resources to implement strategic approaches and achieve desired outcomes. Performance plans include estimated staff years and program costs required to achieve annual performance goals. Achieving annual performance goals, as determined from annual performance reports, will be the measure of accountability.

Program activities listed in the annual performance plan include use of the Internet and its world wide web to include more textual, visual and audio information which can be accessed by a broad public; television feeds via satellite and radio feeds via audio bridge, automatic telephone response service, and tape services; press releases and background materials directed at the news media; exhibits, publications, photographs, videos, and other visual images for the media and constituent groups; and speeches, news conferences, constituent briefings, and public meetings.

Resources Needed

OC's staff ceiling has been reduced from 150 in FY 1993 to the current staff of 123. The reductions were accomplished through authorized personnel buyouts. No reduction in force action was necessary. However, the current staff level will have to be maintained if the goals and objectives of this strategic plan are expected to be achieved.

The appropriated budget authority and outlays have remained fairly constant at about \$8 million during the past 5 years. OC's largest single outlay from fiscal resources has been for staff salaries and benefits—85% of appropriated funding. Another 9% was obligated as common costs by the Department for information technology and other utilities, printing and reproduction, and other administrative services. The remaining 6% was obligated for OC travel expenses, contractual agreements, online news clipping services and subscriptions, repair and maintenance of equipment, supplies and materials, new equipment, television production, etc.

Improving access to and dissemination of USDA information using latest and most efficient communications technology, methods, and standards will require regular capital outlay in order to maintain, let alone expand, service to growing customer demands. Use of the Internet and the world wide web has become a primary medium for delivering information both to the public and within USDA. Improving communications with USDA employees needs a level of funding to provide the kinds of teleconferencing, Intranet, and other technological services to improve internal USDA communications.

Developing an efficient, effective, and results-oriented communications staff that provides high-quality service will demand commitment to updating and maintaining a modern communications organization that is responsive to public demands for Government information. Only minor realignment of staffing has taken place since the last major restructuring of OC. Therefore, it is necessary to assess the current OC structure to determine if it can meet the demands of the Results Act in accomplishing the strategic plan within budgeted resources. The plan calls for an assessment of the current organization in FY 1998, and for OC to reorganize into a more efficient, effective centralized communications workforce by FY 1999. The plan calls for reassessment of the subsequent new organization in FY 2001.

**Program
Evaluation**

Little information was available for evaluating past or current communications programs in development of the strategic plan. A USDA survey of farmers' and ranchers' sources of information provided some information. General feedback from news media and constituent groups was another source.

Results, impacts, and effects of OC communications policies, information programs, and services will be evaluated through the annual unit and individual performance plans. Customer surveys (internally and externally) will be conducted, to the extent resources allow, to ascertain if USDA information is being delivered to publics needing and wanting it in a timely and understandable manner, and if, in fact, the public has a greater awareness of USDA programs and services.

**Role of External
Entities**

No non-Federal entities, i.e., consultants or contractors, were used in the preparation of this strategic plan.



Handwritten notes in the bottom right corner, including the words "course" and "photo".

Office of the Chief Economist (OCE) Strategic Plan

Table of Contents

Introduction11-35

Key External Factors11-36

Mission11-36

Goals11-36

Management Initiatives11-41

Linkage of Goals to Annual Performance Plan11-42

Resources Needed11-42

Program Evaluation11-43

Role of External Entities11-43

OCE



Introduction

The principal function of the Office of the Chief Economist (OCE) is to provide economic analyses and information to policy officials. OCE serves as the focal point for the Nation's economic intelligence, analysis, and review related to domestic and international food and agricultural markets. OCE advises the Secretary of Agriculture (Secretary) on the economic consequences of alternative policy, program and legislative proposals, coordinates cross-mission activities such as sustainable development and agricultural labor. OCE provides guidance and review of regulatory risk assessments and cost-benefit analyses for consistency, objectivity, and the use of sound science and economics. OCE also coordinates and oversees clearance review of all commodity and aggregate agricultural data used to develop Department of Agriculture (USDA) outlook and situation information and works to improve the consistency, objectivity, and reliability of USDA's agricultural estimates and forecasts.

OCE is organized to directly serve the Office of Secretary, free from program implementation responsibilities of the Department's mission areas. OCE was created by the Secretary on October 20, 1994, under the authority of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103-354. OCE consists of the Chief Economist and Immediate Staff, the Office of Risk Assessment and Cost-Benefit Analysis (ORACBA), and the World Agricultural Outlook Board (WAOB).

OCE's ability to access and supply critical information depends on working closely with other USDA agencies. Among the agencies whose inputs and support OCE coordinates to produce information products and analyses are the Agricultural Marketing Service (AMS), Agricultural Research Service (ARS), Cooperative, State, Research, Education, and Extension Service (CSREES), Economic Research Service (ERS), Foreign Agricultural Service (FAS), Farm Service Agency (FSA), Forest Service (FS), National Agricultural Statistics Service (NASS), and Natural Resources Conservation Service (NRCS). OCE collaborates with these agencies and with the Food Safety and Inspection Service (FSIS) and the Animal and Plant Health Inspection Service (APHIS) in the conduct and review of risk assessments.

Organizational Structure

OCE, whose operations and activities are directed by the Chief Economist, is comprised of three offices: the Chief Economists Immediate Office, the WAOB, and ORACBA. The Chief Economist's Immediate Office currently consists of 5 agricultural staff economists; two coordinating positions: Director, Sustainable Development, and Coordinator, Agricultural Labor Affairs; and two secretaries. For WAOB, a Chairperson provides leadership over a staff of twenty five, comprised predominantly of agricultural commodity analysts and meteorologists. ORACBA consists of a Director, three additional staff to support risk assessment and cost-benefit analysis, and a secretary. OCE operated on a \$4.4 million budget in FY 1997.

Plan Development

This strategic plan defines OCE's mission and lays out long-term goals and objectives for its implementation. Development of the plan follows the guidelines set by the Office of Management and Budget (OMB) in Part 2 of Circular A-11, Preparation and Submission of Strategic Plans, issued in September 1995. To develop this plan, the Chief Economist appointed a working group which reviewed the following supportive data and analyses: 1) the 1994 USDA Reorganization Act, 2) the responsibilities delegated by the Secretary to OCE, 3) procedures and processes currently followed to meet these responsibilities, 4) various memoranda of the Secretary creating the WAOB, defining activities of the WAOB, and creating the Council on Sustainable Development and the Sustainable

Agriculture Working Group, 5) statutes defining USDA responsibilities in the area of agricultural labor, 6) statutes under which programs of the Department will operate over the next 5 years, including the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127, 7) other agencies' strategic plans to foresee their compatibility with and impact on OCE's plan; and 8) recommendations and visions of OCE customers, clients, and employees on how to best meet OCE responsibilities. No external or formal program evaluations were conducted and used to develop this plan. Managers and staff met and reviewed mission, goals, and objectives in the context of their evaluation of current program performance. In addition, OCE surveyed employees to ascertain their views on the plan.

Key External Factors

Achievement of the goals and objectives are contingent on a number of external factors. First, the plan is based on the current baseline budget projections of the Department. If appropriations differ substantially from these projections, achievement of the plan would be affected. Second, much OCE activity involves coordinating information and analysis from a variety of sources. To the extent that other agencies and sources alter their resource commitments to OCE activities, plan achievement would be affected. Third, OCE workload depends partially on legislative and government-wide regulatory activity over which OCE has no control. Fluctuations in activity in these areas would alter the distribution of resources across plan objectives. Fourth, allocation of OCE resources and achievement of the plan will also depend on developments in agricultural markets, such as weather disasters.

Mission

The primary mission of OCE is to advise the Secretary of Agriculture on the economic prospects in agricultural markets and the economic implications of policies, programs and economic events affecting U.S. agriculture and rural communities; to ensure the public has consistent, objective and reliable agricultural forecasts; and to promote effective and efficient rules governing Departmental programs. This mission is carried out through the programs of the Immediate Office of the Chief Economist, WAOB, and ORACBA.

Goals

Goal 1

Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.

■ Objective 1.1

Assure that the Office of the Secretary receives sufficient, accurate, reliable and timely briefings, analyses, and reviews to enable the understanding of market developments and the major economic effects of alternative policies and programs and to facilitate decision making.

This OCE objective supports USDA objectives 1.1, 1.2, 1.3, 2.1, 2.2, 2.5, 3.1 and 3.2

Time Frame for Completion

Continuous, as needed, and as requested by the Secretary.

Strategies for Achieving the Objective

- Provide policy and program analysis and advice to the Secretary. Major areas of analyses include international trade agreements, risk-sharing institutions, crop insurance, commodity and conservation programs, sustainable development, and agricultural labor.
- Brief the Secretary orally and in writing on a regular basis on the economic implications of market developments, legislation, and key events affecting agriculture and rural America.
- Assist the Secretary's speech writers in the development of speech text and the use of economic information.
- Review and clear Department regulatory analysis.
- Provide subcabinet officials with economic intelligence relevant to the administration of their program areas.
- Review Congressional testimony of Department and other officials, press releases, and correspondence for economic content.
- Prepare analyses when requested for Members of Congress, their staffs, and Agriculture and Appropriations Committee staffs on the effects of legislative proposals.

Performance Measures

- Feedback from the Office of the Secretary and others, including the subcabinet, indicating outputs of briefings, memos, information, analyses, and reviews are useful in keeping the Secretary informed and facilitate effective decisions, and that Departmental communications to the public are economically sound.

■ Objective 1.2

OCE staff will work with agencies to develop policies and programs that cut across agencies and to ensure policies and programs are consistent with the Secretary's objectives.

This OCE objective supports USDA objectives 3.1 and 3.2.

Time Frame for Completion

Continuous, as needed, and as requested by the Secretary and other cabinet departments.

Strategies for Achieving the Objective

- Lead and coordinate cross-mission area work on sustainable development, including chairing the USDA Council on Sustainable Development, and other issues as requested by the Secretary.
- Chair the Capper-Volstead Act Committee.
- Represent the Department in domestic and international arenas relating to sustainable development.
- Serve as USDA liaison within the executive branch on sustainable development and agricultural labor markets and regulations.

Performance Measures

- Degree of coordination of key activities and extent to which policies and programs developed reflect the objectives of the Secretary and, in particular, are effective in fostering sustainable development and resolving problems related to agricultural labor. This measure is accomplished as determined by feedback from the Office of the Secretary, the subcabinet, Department agencies and cooperating departments, particularly the Department of State and the Department of Labor.

Goal 2

Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.

■ Objective 2.1

Ensure that the information needs of customers and clients are met with respect to global commodity coverage, frequency of information release, and objectivity of data and analysis.

This OCE objective supports USDA objectives 1.2 and 2.1.

Time Frame for Completion

Continuous.

Strategies for Achieving the Objective

- Coordinate the development and release of consistent and accurate market-sensitive estimates and forecasts in the monthly *World Agricultural Supply and Demand Estimates (WASDE)* report.
- Ensure provision of a broad range of other situation and outlook products, such as briefings, written reports and market updates, special analyses, and long-range forecasts.
- Provide an annual comprehensive situation and outlook forum for agriculture that incorporates the viewpoints of and participation by analysts from USDA, academia, and the private sector.

Performance Measures

- *WASDEs*, *Daily Highlights of Agricultural Developments*, market development reports, briefings, staff analyses, memoranda, crop condition reports, baseline projections, lock-up briefings, and their usefulness to customers and clients as indicated by the number of free e-mail and paid subscriptions to the *WASDE*, number of electronic hits to the OCE home pages, number of attendees at data users' conference, results of user survey, number of attendees at forum, and feedback from clients and customers.

■ Objective 2.2

Ensure accurate and timely monitoring and reporting of the impact of weather and other natural phenomena on crops and agricultural resources to facilitate decision-making by market participants and resource managers.

This OCE objective supports USDA objectives 1.2 and 2.5.

Time Frame for Completion

Continuous.

Strategies for Achieving the Objective

- Issue weather data and assessments, especially early warning of weather impacts, to USDA clients and customers.
- Coordinate the monitoring and assessment of meteorological and climate information through the Joint Agricultural Weather Facility.
- Expand meteorological capabilities and databases by establishing a National Agricultural Weather Information System by setting up staff field offices to collect and disseminate agricultural weather data and drawing on resources from USDA agencies, the National Weather Service, National Climatic Data Center, and Regional Climate Centers.
- Coordinate USDA remote sensing activities.
- Monitor, collect and disseminate information on remote sensing issues, developments, and activities to relevant USDA agencies.
- Represent USDA on matters of remote sensing and communicate the Department's satellite imagery requirements to space agencies, federal data repositories and private industry.

Performance Measures

- Output of weekly briefings, monthly weather impact assessments, daily *Memorandum for the Secretary*, special analyses and weather-related information, and their value to users; progress in implementing a plan to unify access to meteorological data through the National Agricultural Weather Information System; and feedback received on the quality and usefulness of USDA Remote Sensing Coordination Committee activities and remote sensing assessments done for the executive branch.

■ Objective 2.3

Enhance the ability of OCE staff to access, safeguard, share, and distribute information. Increase the ease and speed by which customers, and clients can access selected databases and other economic information that have been cleared for public release.

This OCE objective supports USDA objective 1.2.

Time Frame for Completion

Continuous.

Strategies for Achieving the Objective

- Make the monthly *WASDE* and other reports available via the WAOB/OCE home page.
- Improve electronic access and information exchange between OCE staff and outside organizations.
- Identify and introduce new hardware and software to improve productivity and lower costs.
- Update software programs to ensure that market sensitive information is kept secure.
- Achieve further integration of OCE data bases and networking of OCE computers.

Performance Measures

- Number and quality of information products made available electronically; number of hits to OCE home pages; instances of reduced time or effort in accessing data bases and information products as indicated by staff and users; absence of security violations; and degree to which the efficiency of OCE computers are increased; and feedback from staff and users on quality of computer systems.

Goal 3

Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.

■ Objective 3.1

Review economically significant regulations primarily intended to affect human health, safety or the environment to ensure that they are based on appropriate risk assessments and economic analyses that can serve as a basis for selecting cost-effective management options for hazards managed by USDA.

This OCE objective supports USDA objectives 1.2, 2.2, 3.1, and 3.2.

Time Frame for Completion

As determined by the Regulatory Work Plan.

Strategies for Achieving the Objective

- Review and approve agencies' risk assessments and cost-benefit analyses for supporting regulations.
- Establish and conduct peer review panels as necessary to ensure proper review.
- Represent USDA in executive branch development of risk analysis policies, procedures, and reports.

Performance Measures

- Regulatory analyses meet requirements of principles, standards and statutes; timeliness of review and clearance meets Department's requirements; and feedback from agencies, the subcabinet, OMB and the public indicate usefulness of review.

■ Objective 3.2

Provide support for agencies required to conduct risk assessments and cost-benefit analyses by assuring trained and competent analysts are available to complete these analyses. Expand risk assessment research related to agricultural issues through interagency partnerships and collaboration with research institutions.

This OCE objective supports USDA objectives 1.2, 2.2, 3.1, and 3.2.

Time Frame for Completion

As determined by the Regulatory Work Plan.

Strategies for Achieving the Objective

- Coordinate analytical resources for conducting risk assessments in USDA as needed.
- Develop and support USDA analytical capability by establishing technical work groups through training courses, special seminars and discussions.
- Develop information resources for support of USDA risk assessments.

Performance Measures

- Agencies contacted and informed of needs for risk assessment and cost-benefit analyses; information on available risk assessment resources in USDA or other government sources; information on risk assessment distributed throughout USDA through the bimonthly *ORACBA News* and monthly seminars (Risk Forum); timeliness in responding to groups requesting support; and feedback from agencies on the effectiveness of training and information programs.

Management Initiatives**■ Management Initiative 1**

Assemble a competent and diverse workforce that works together effectively.

This OCE management initiative supports USDA management initiative 1.

Time Frame for Completion

Continuous.

Strategies for Achieving the Management Initiative

- Ensure job vacancies are publicized so as to reach minority and women candidates.
- Hold supervisors accountable for hiring, training, retaining and promoting minority and women employees and furthering EEO goals.
- Ensure each employee receives annual civil rights training.
- Encourage and provide training opportunities for all staff to improve performance and advance.
- Provide staff with challenging work opportunities that utilize skills, increase satisfaction and enable advancement.
- Resolve staff concerns and complaints quickly and effectively.
- Increase intra-staff communications so all know projects of one another and know issues and priorities of the Secretary.

Performance Measures

- Increases in staff productivity; a staff that is treated fairly and with dignity; degree of progress in making staff as diverse as the general population; frequency, scope and quality of work and training opportunities provided; incidence of staff concerns and complaints and effectiveness with which they are resolved.

■ Management Initiative 2

Provide a physical working environment that enables staff to efficiently fulfill their responsibilities.

This OCE management initiative supports USDA management initiative 3.

Time Frame for Completion

Continuous.

Strategies for Achieving the Management Initiative

- Provide best computers and other equipment as possible.
- Provide a safe and secure work site.

Performance Measures

- Increases in staff productivity; staff evaluations of work site and facilities under control of OCE.

Linkage of Goals to Annual Performance Plan

OCE has linked the general goals and objectives of the strategic plan to the performance plan, the fiscal-year blueprint which lays out what managers and staff are to accomplish annually. For example, strategic goal 1 and its two objectives, which relate to OCE's economic intelligence and policy coordination responsibilities, parallel performance plan goal 1 and its objectives. Having established this clear linkage in the performance, OCE then indicates how each of the three strategic goals are to be implemented and how progress towards achieving these goals is to be measured.

Resources Needed

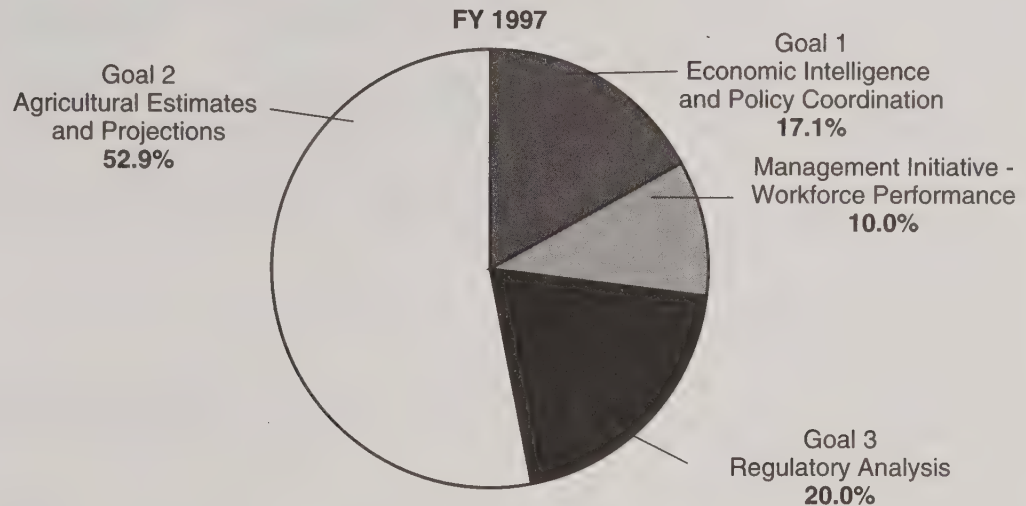
OCE's most important resource is its highly skilled workforce on which accomplishment of the strategic plan depends. Consistent with the Administration's effort to produce a balanced budget and the Department's streamlining plan, OCE's five-year strategic plan has assumed a modest and realistic reduction in available resources. OCE will make every effort to achieve its strategic plan as it streamlines its operations and increases the productivity of its staff. Completion of the plan will require redirecting OCE resources and would require additional budget authority to achieve a field office and certain equipment as part of the National Weather Information System. This funding would be determined in the context of USDA-wide priorities.

In the event that additional resources are available in the out years, top priority would be given to enable OCE's meteorological staff to more comprehensively assess the impact of weather and climate on crops by acquiring additional data from rural U.S. sites. Beneficiaries of such increased resources would be those OCE customers and clients who previously had been clients and customers of the National Weather Service, which recently eliminated or cut back specialized agricultural weather services. With further available resources, OCE would expand short-term commodity analysis and ORACBA activities. In the event of reduced resources, ORACBA activities would be more narrowly focused on regulatory review and other activities would be reduced, especially those related to building a long-term capacity for improved Departmental risk analysis. WAOB activities would also be reduced in both the weather and commodity market analysis areas, limiting and slowing the capacity to evaluate and explain emerging events.

In FY 1997, OCE operated on a \$4.4. million budget. The pie chart indicates how current funding has been allocated to each of OCE's goals and management initiative.

OCE

OCE Budget Expenditures



Program Evaluation

No external or formal program evaluations were conducted and used to develop this plan. OCE's evaluation process will consist of annual reviews of measured performance based on feedback from clients and customers and the fulfillment of OCE's responsibilities. OCE will participate in formal "Users' Meetings" organized by the Department's economic and statistical agencies. OCE will also solicit feedback formally at the annual Agricultural Outlook Forum attended by many OCE customers and clients. OCE will also solicit suggestions for improvements from users of the *Weekly Weather and Crop Bulletin* and the *WASDE* report. Also, OCE will solicit feedback from its staff. The results of this comprehensive evaluation process will drive the preparation of OCE budget requests as well as adjustments in the annual performance plan. The scope and nature of OCE's functions do not warrant the cost of a formal program evaluation, particularly in view of an expected reduction in resources.

The Role of External Entities

OCE did not formally solicit external entities to provide specific inputs for the preparation of the strategic plan. Its strategic plan reflects the direct input of the Chief Economist, managers, and staff of all three of the offices that comprise OCE. Input was also received from several USDA agencies, OMB, and staff of the U.S. Senate. OCE employees contributed their own ideas about how best to accomplish OCE's mission and also passed on recommendations expressed by customers and clients prior to and during the preparation of the strategic plan.

OCCE

Office of the Chief Financial Officer (OCFO) Strategic Plan

Table of Contents

Introduction	11-47
Key External Factors	11-48
Mission	11-48
Goals	11-48
Management Initiatives	11-55
Linkage of Goals to Annual Performance Plan	11-56
Resources Needed	11-57
Program Evaluation	11-57
Role of External Entities	11-58



OCFO

Introduction

The 1,750 employees of the Office of the Chief Financial Officer (OCFO) at headquarters and at the National Finance Center (NFC) in New Orleans provide financial management leadership to USDA, directing and overseeing financial management activities and providing financial information, guidance, advice, and counsel to USDA agencies and programs, which together are responsible for almost \$140 billion of total assets, including almost \$80 billion in net accounts and loans receivable from the public. In this environment, good financial management is particularly critical, requiring increased attention to our financial, general, and performance management activities to improve program delivery and assure maximum contribution to the Secretary's Strategic Goals.

The OCFO was established by the Secretary to meet the mandates of the CFO Act. The Act lays the foundation for comprehensive reform of Federal financial operations, requiring long-range planning, audited financial statements, and accountability reporting. The Act assures leadership in financial management by giving broad new authority and responsibility for directing Departmental financial management activities, modernizing the Department's financial management systems, oversight of financial management personnel, and strengthening financial reporting.

The activities detailed in this Plan will fulfill our Goal to provide critical financial information to program and policy officials, improve policy and program decisionmaking, and enable us to address General Accounting Office (GAO) and Office of Inspector General (OIG) criticisms of our financial management systems.

Legislative Mandates

The responsibilities of the OCFO derive from several laws impacting financial management as well as from specific delegations from the Secretary. Major legislation impacting OCFO includes:

- The Chief Financial Officers' Act of 1990 (CFO Act) — Establishes the role and responsibilities of the Chief Financial Officer.
- The Government Performance and Results Act (GPRA) — Requires strategic and performance planning by all Federal agencies.
- The Government Management Reform Act (GMRA) — Requires annual audited financial statements.
- The Information Technology Management Reform Act (Clinger-Cohen Act) — Reaffirmed the CFO's responsibility for financial information systems.
- The Federal Financial Managers' Improvement Act (FFMIA) — Requires adherence to specified accounting standards and implementation of financial information systems meeting Government-wide standards.
- The Federal Managers' Financial Integrity Act (FMFIA) — Requires Federal agencies to meet standards of internal control and systems conformance.
- The Federal Credit Reform Act (Credit Reform) — Specifies the accounting and budget standards for direct and guaranteed loan programs.
- The Cash Management Improvement Act (CMIA) — Requires use of improved cash management techniques.
- The Debt Collection Improvement Act of 1996 (DCIA) — Specifies use of new debt management techniques and requires electronic disbursement of all Federal payments.
- The Inspector General (IG) Act Amendments of 1988 - Requires biannual reports to Congress and action on IG recommendations.

Partnerships and Coordination

OCFO provides Departmentwide leadership and centralized services in financial management. However, much of the responsibility for carrying out financial management duties in the Department belongs to agency financial management staff. Therefore, we focus on maintaining close working partnerships with agency financial organizations to support the needs of policy and program management. We work closely with other Departmental staff support groups, such as Departmental Administration, the Office of the General Counsel, OIG, and the Office of the Chief Information Officer (OCIO), to provide coordinated services to all USDA agencies.

As evidenced by the separate Departmentwide Financial Management Strategic Plan, the OCFO Plan has been coordinated with USDA agencies and other Departmentwide functions. In addition, we partner with our counterparts in other Federal agencies through our participation in intergovernmental councils and workgroups (such as the Chief Financial Officers' Council) and work closely with oversight agencies, such as the Office of Management and Budget (OMB), GAO, the General Services Administration, and others. We also work closely with financial standard-setting organizations, such as the Federal Accounting Standards Advisory Board (FASAB), and with private organizations, such as the Private Sector Council.

Key External Factors

New financial management legislation and regulations could profoundly impact the nature of our duties and our ability to carry out our responsibilities. In addition, improvements in financial management reporting and responsibilities developed by Governmentwide committees and oversight groups may require increased staff support. Budget restrictions limiting our resources could further impact our ability to meet our requirements and achieve our goals. In those cases, we may be required to reprioritize our goals, and postpone or eliminate selected goals and/or objectives.

Mission

Through partnerships, provide financial management leadership and service to support quality program delivery in the U.S. Department of Agriculture.

Goals

OCFO supports the Secretary's strategic goals for USDA by providing management reporting and services for all program activities. OCFO goals relate directly to Management Initiatives in the Overview of the USDA Strategic Plan. Goals 1 and 4 relate specifically to Management Initiative 3; Goals 2 and 3 relate to Management Initiative 4.

Goal 1

Ensure the provision of timely and reliable financial management information, advice, and counsel to support informed decisionmaking by USDA policy and program personnel



■ Objective 1.1

Implement a single, integrated financial management information system in USDA, in compliance with OMB guidance.

Strategies for Achieving the Objective

- Complete development and implementation of Financial Information System Vision and Strategy (FISVIS) project (FY 1999).
- Train headquarters and agency financial management staff in use of new systems (FY 1999).
- Eliminate all financial and mixed systems which are not part of the single, integrated system, and/or do not comply with USDA financial standards (ongoing).
- Establish and maintain Department-wide financial management standards (ongoing).
- Ensure that all new financial and mixed systems comply with Department financial standards (ongoing).

Performance Measures

- Reliable, timely, consistent, accurate information to policy and program personnel.
- A single, integrated, financial information system as defined by OMB Circular A-127 and the FFMIA.
- All new financial and mixed systems are in compliance with Department-wide standards.

■ Objective 1.2

Achieve an unqualified opinion on USDA Consolidated Financial Statements.

Strategies for Achieving the Objective

- Improve the quality and timeliness of audited agency financial statements and aggressively pursue audit resolution, including implementation of credit reform accounting and reporting requirements (ongoing).
- Review agency audits; pursue resolution of open audit issues (ongoing).
- Implement all Federal Accounting Standards Advisory Board (FASAB) cost accounting standards (ongoing).
- Work with agencies to implement agreed audit recommendations in a timely fashion; review automated support to audit resolution process (ongoing).
- Work with agencies to correct material weaknesses and systems nonconformances in a timely manner (ongoing).

Performance Measures

- Unqualified audit opinion on consolidated and agency financial statements for FY 1999 and beyond.
- Reduction in number of systems nonconformances.
- Open audit issues are promptly resolved.
- FASAB standards are implemented in a timely fashion.

■ Objective 1.3

Provide information to enable policy and program personnel to effectively use cost information for decisionmaking

Strategies for Achieving the Objective

Develop cost accounting standards for USDA agencies using FASAB cost accounting standards.

- Assist agencies in establishing cost accounting procedures and monitor progress (ongoing).
- Work with agencies to review and analyze the cost basis of fees, royalties, rents, and other charges (ongoing).
- Develop and implement cost analysis techniques, such as Activity Based Costing (ongoing).
- Provide useful cost information for decisionmaking (ongoing).

Performance Measures

- Cost accounting standards established using FASAB cost accounting principles.
- Agency fees and charges reviewed for compliance with applicable principles.

.....

Goal 2

Ensure accountability for assets and resources entrusted to the Department

■ Objective 2.1

Achieve compliance with the Federal Managers' Financial Integrity Act (FMFIA).

Strategies for Achieving the Objective

- Institute effective management controls and internal accounting processes (ongoing).
- Provide policy guidance and oversight to assist managers in achieving compliance with FMFIA (ongoing).

Performance Measures

- Compliance with FMFIA for FY 1999 and beyond.
- Reduction in number of material weaknesses and corrective action recommendations in the annual reporting process.

■ Objective 2.2

Develop and publish a Management Accountability Report.

Strategies for Achieving the Objective

- Identify the components of the Report, such as FMFIA, Annual Financial Reports, Prompt Payment Act, GPRA, the Secretary's Management Report, OMB Circular A-133, and others (1998 and beyond).
- Design, develop, and implement the Management Accountability Report (1999).

Performance Measures

- Management Accountability Report developed on time.

■ Objective 2.3

Examine new and innovative ways to enhance the effectiveness, efficiency and economy of the Department Working Capital Fund (WCF).

Strategies for Achieving the Objective

- Conduct business process analysis of all WCF activities/cost center (ongoing).
- Automate WCF billing processes to make them seamless and paperless (1998).
- Redesign the WCF budget formulation and execution process and Fund status system (capital asset and operating funds), to a seamless, paperless system (1998).

Performance Measures

- WCF goods and services are cost-competitive, as shown by comparison with commercial sources.
- Customers are satisfied with the goods and services provided, as demonstrated by survey.
- Business volume continues to grow as shown by sales volume and statistical volume increases.
- Periodic Fund-sponsored audits by OIG verify that unit costs and overhead are effectively managed to maintain the health of Fund cost centers.

■ Objective 2.4

Provide effective budget and fund control services to the Office of the Secretary (OSEC) and other client agencies.

Strategies for Achieving the Objective

- Provide timely, reliable services to client agencies (ongoing).
- Redesign OSEC planning, budget development, and funds control system to meet customer needs (1998).

Performance Measures

- Customer surveys show increased satisfaction with planning, budget, and fund control processes and outputs.
- Production of planning, budget, and fund control materials and reports are timely and accurate.

Goal 3

Provide coordination, compliance, and monitoring services to USDA agencies for specified financial management and related legislation, regulations, and Administration policies

■ Objective 3.1

Support mission agencies in developing Strategic Plans and Performance Plans and in implementing performance measures, as required by the GPRA and the CFO Act.

Strategies for Achieving the Objective

- Provide guidance to agencies in development of strategic plans and performance measures (ongoing).
- Review agency strategic plans and performance measures to ensure compliance with Department's requirements and GPRA principles (ongoing).

Performance Measures

- Agencies develop Strategic Plans and Annual Performance Plans, as required by GPRA.
- Measurable improvement in program delivery as a result of implementation of strategic planning and performance measurement.

■ Objective 3.2

Coordinate implementation of Departmental asset management systems.

Strategies for Achieving the Objective

- Develop and expand initiatives to improve debt management and implement Electronic Funds Transfer (EFT), as required by the DCIA (timing identified in Act).
- Expand use of effective cash management mechanisms (ongoing).
- Implement all provisions of the Federal Credit Reform Act (ongoing).

Performance Measures

- Increases in collection of delinquent debts to USDA, and decreases in number of new delinquencies.
- Increase in number of programs added under CMIA.
- Reduction in number of delinquent transfers of money, with resulting decrease in dollar amount of interest paid under Prompt Payment Act.
- Adequacy and reliability of data on personal property, vehicles and aircraft, as measured by Treasury's CAMRA Inventory Review .
- Improved foreclosure processing as measured by decrease in number of cases awaiting foreclosure and increase in percentage of applications screened against CAIVRS verification system.
- Compliance with all applicable provisions of DCIA.

■ Objective 3.3

Provide financial management policy guidance, coordination, and oversight to program managers and personnel on existing and new legislation, regulations, and policies.

Strategies for Achieving the Objective

- Monitor new legislation and regulations for impact on financial and program management; provide policy guidance to program agencies.
- Streamline Department processes for managing grants and agreements to provide uniform, efficient operation of Federal Assistance Awards program.
- Provide technical assistance and policy guidance to program agencies on debarments and suspensions and travel systems.

Performance Measures

- Customers report satisfaction with service.
- USDA in compliance with Federal regulations.
- New grant processing and travel systems operate efficiently.

Goal 4

Develop and maintain administrative and financial management information processing systems that are responsive to user and customer needs

■ Objective 4.1

Effect near-term system improvements by re-engineering administrative and financial systems to develop modern, integrated financial and administrative information systems.

Strategies for Achieving the Objective

- In cooperation with system users, enhance Payroll/Personnel system (1999).
- Enhance the software development environment to CMM Level 2 (1998); Level 3 (1999).
- Complete development and implementation of Purchase Card Management System (1998).
- Complete development and implementation of Procurement Management System (dependent on Modernization of Administrative Processes).
- Complete development and implementation of the Unified Travel System (1998).
- Implement new technologies which provide customers with electronic data entry/inquiry capability. (FY 1998).
- Ensure all OCFO hardware and software are "Year 2000" compliant (FY 1999).

Performance Measures

- System changes are accomplished within the target timeframe and meet user requirements.
- Independent assessment confirms that the NFC software development environment has achieved CMM Level 2 during FY 1999.
- Conversion activities are completed on time for all systems impacted by "Year 2000."

■ Objective 4.2

Develop a technical infrastructure (hardware, software) for systems development which conforms to the OCIO infrastructure architecture and which supports user and customer needs.

Strategies for Achieving the Objective

- Analysis of the hardware/software required to support the customer direction in systems and technical architecture (ongoing).
- Acquisition of the appropriate hardware and software required to support the customer direction in systems and technical architecture (ongoing).

Performance Measures

- Hardware capacity and system software are adequate for system processing and for meeting service level targets, and are in compliance with Department standards.
- Unique agency needs satisfied at least cost.

■ Objective 4.3

Improve and enhance the technical expertise of NFC personnel.

Strategies for Achieving the Objective

- Provide technical training in systems development and life cycle management (ongoing).
- Perform analysis of employee training needs (ongoing)
- Assist employees to identify career goals and develop Individual Development Plan (IDP) (ongoing).
- Provide training for current personnel which functionally matches their IDP requirements (ongoing)
- Recruit additional skilled personnel as required to meet demand (phased in over 5 years).
- Conduct evaluation of training effectiveness; take action to correct deficiencies (periodically, ongoing).

Performance Measures

- Cutting-edge programming techniques and tools are being used throughout NFC to develop systems that meet user and customer requirements.
- Effectiveness of training is evaluated, deficiencies corrected, and ongoing improvements made.

■ Objective 4.4

Continually improve efficiency and customer satisfaction with operations; market capabilities.

Strategies for Achieving the Objective

- Market operational capabilities through outreach efforts, including technical fairs, training, and partnerships with customer organizations (ongoing).
- Continually monitor direct cost drivers for each system to identify areas where additional cost efficiencies might be achieved (e.g., systems maintenance, elimination of paper output) (FY 1998).
- Periodically measure customer satisfaction and take steps to address deficiencies (ongoing).

Performance Measures

- Use of existing and newly emerging capabilities increases 10 percent per year.
- A baseline level of customer satisfaction is established for major products or services.
- The total hours of systems maintenance is reduced by 10 percent from FY 1997 baseline.
- Paper outputs to customers (internal and external) are reduced by 20 percent from FY 1997 baseline.

Management Initiatives

- Program abends relative to programs executed show a 20-percent decrease.
- After systems are revitalized, customer requests for change show a 5 percent improvement in turnaround time.

The ability of OCFO to achieve its major goals is dependent upon achieving initiatives related to building our human resource capability and establishing a strong financial community in USDA.

■ Management Initiative 1

Promote the principles of diversity and equal employment opportunity in a productive, quality-oriented financial management workforce

Strategies for Achieving the Management Initiative

- Provide a supportive working environment; assure equal employment opportunity in hiring and promotion; implement a civil rights awareness and training program (ongoing).
- Develop a Continuing Professional Education (CPE) program for accounting professionals (1998).
- Open CPE program to other CFO organization professionals (1999).
- Management actively participates with staff to develop Individual Development Plans (IDPs) (ongoing).
- Assess individual training needs by external evaluation of performance and work responsibilities (annually).
- Develop and implement a program offering developmental cross-training and other growth opportunities (1998).
- Develop policies to resolve issues of concern to employees (ongoing).

Performance Measures

- Diversity of race and gender in makeup of employee roster, assignments, promotions, and advancement opportunities.
- Development and implementation of a CPE program.
- Successful implementation of a plan for participation of management and staff in development of IDPs, as measured by supervisory, peer, and self-evaluation.

■ Management Initiative 2

Invest resources in training and employee development, recruitment, and placement to ensure continuing high-quality financial management skills.

Strategies for Achieving the Management Initiative

- Invest in training, employee development, and the work environment (ongoing):
 - Establish an external awards committee to place greater emphasis on employee recognition
 - Management and staff to participate in team building
 - Expand alternative work opportunities
 - Develop a financial management staff training plan
 - Develop placement and recruitment strategies

Performance Measures

- Improvements in employee skill level
- Development of plan for employee recruitment/placement
- Improved performance in assignments related to training or career development

■ Management Initiative 3

Establish a strong, results-oriented, highly effective, and professional financial community within USDA.

Strategies for Achieving the Management Initiative

- Participate in initiatives, projects, and activities of the central guidance agencies; seek assistance where needed to implement recommendations within USDA (ongoing).
- Coordinate USDA participation in Governmentwide Advisory Groups and Boards.
- Implement the results of the USDA Advisory Council Report on Financial Management Professional Development.

Performance Measures

- A highly skilled cadre of financial personnel in USDA.
- Effective representation in Government-wide councils, with no wasted resources.

■ Management Initiative 4

Develop strong partnerships with central guidance agencies.

Strategies for Achieving the Management Initiative

- Participate in CFO Council and other central guidance agencies; participate in initiatives, projects and activities.
- Seek assistance where needed to implement recommendations within USDA (ongoing).

Performance Measures

- Active participation in opportunities to partnership with central guidance agencies.
- Implementation of recommendations, where appropriate, within the CFO organization.

Linkage of Goals to Annual Performance Plan

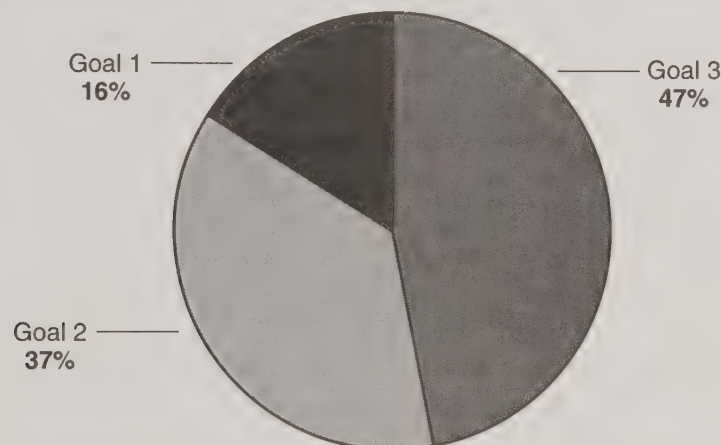
The OCFO Annual Performance Plan is linked to the Objectives in the OCFO Strategic Plan. Performance measures identified in this Strategic Plan will be used in the OCFO Annual Performance Plan. Objectives in the 5-year Strategic Plan work together to accomplish the Goals stated in the Plan, with accomplishment of Goals and Objectives determined by availability of resources.

Resources Needed

Accomplishment of these goals may be difficult within current staff levels. Financial management activities to implement new legislation and meet congressional expectations for efficient management of assets and receivables will require increases in staff. With current budget constraints, prioritization of tasks will be necessary, and not all goals may be accomplished. At NFC and with other projects funded through the WCF, tasks will be undertaken as funds are provided. Currently, OCFO devotes its appropriated funds to accomplish goals as shown:

- Goal 1: Financial Information (16 percent)
- Goal 2: Control of Resources (37 percent)
- Goal 3: Assistance, Oversight, Counsel (47 percent)
- Goal 4: Financial and Administrative Systems (all funding is from reimbursement for services)
- Management Initiatives: Costs are allocated to Goals 1, 2, and 3.

Use of Appropriated Funds



**Goal 4: Financial and Administrative Systems
(all funding is from reimbursement for services)**

Management Initiatives: Costs are allocated to Goals 1, 2, and 3

Program Evaluation

This Plan was developed, in part, based on assessment of USDA financial systems by the GAO and OMB reviews and audits of our financial statements by the OIG were among the evaluations used in preparing this plan.

Evaluation of progress toward goal achievement will come in multiple forms, including:

- Quantitative performance measures (where achievement can be quantified);
- Audits by the Inspector General and GAO;
- Successful systems development;
- Financial performance reports; and
- Customer service surveys.

Current financial information systems are not fully capable of producing necessary performance data. However, the Foundation Financial Information System, when completed, will provide required performance measurement data. Audits of financial reports are routinely scheduled by the OIG. Customer service surveys are planned.

The OCFO mission statement and Strategic Plan were developed through broad participation of personnel and customers, and represent their shared input and commitment. In addition, comments and input from the General Accounting Office, the Office of Management and Budget, and Congressional consultations have been considered and incorporated.

**Role of External
Entities**

No non-Federal entities were used in the preparation of this Plan.

OCFO

USDA Financial Management Plan

Table of Contents

Introduction11-61

Mission Statement11-61

USDA Financial Management Goals11-61



OCFO

Introduction

The U.S. Department of Agriculture (USDA) is a large, complex organization comprised of seven program mission areas. USDA is the fourth largest civilian Department in the U.S. Government, employing more than 100,000 people at over 12,000 locations worldwide. Each USDA mission area and agency is different, requiring program managers with highly specialized expertise to deliver program services to meet diverse mission objectives. Program managers depend on financial officials for timely and accurate financial information in order to make decisions that result in effective program delivery at the lowest cost. To meet the information needs of the program managers, financial officials must develop and maintain systems that track costs and report on performance. The varied missions are indicative of the complexity and diversity of the programs and the challenges faced by the Chief Financial Officer (CFO) and the entire USDA financial community.

To assist in development of a financial management community in USDA that is capable of successfully meeting the current and future challenges in Federal financial management, the CFO established the CFO Advisory Council. It consists of the top financial officials from each of the seven program mission areas. Through the efforts of the CFO and the CFO Advisory Council, USDA has established a strong, cohesive financial community with a common mission.

The USDA financial management mission statement represents recognition by the USDA financial community that the provision of financial information is not an isolated function, but rather a service provided to program managers and agency decisionmakers to improve their ability to manage their programs. The financial community is responsible for providing timely, accurate, and consistent financial information; helping program managers understand financial information; and educating program managers on financial issues so they can fulfill their financial management role. In articulating the mission of financial management, the USDA financial management community made a commitment to changing the financial management culture, improving management accountability, enhancing the financial management infrastructure, and improving financial systems.

This Plan does not contain all the legislatively mandated elements of a strategic plan under the Government Performance and Results Act of 1993 (GPRA) because the goals and objectives of this plan will be accomplished by the cooperative work of agency financial management staff, under the multiple appropriations of our agencies. The Office of the Chief Financial Officer (OCFO) Strategic Plan and mission area and agency strategic plans contain all required elements.

Mission Statement

The USDA financial management community collectively supports enhanced USDA program performance and accountability by strengthening partnerships and providing effective financial management leadership and services.

USDA Financial Management Goals

..... Goal 1

Implement a single, integrated financial management system.

The Department shares the view of the Governmentwide CFO Council that the key to improved financial and program management is improved financial management systems. Improving financial management systems will provide better information for decision making and enable program and financial managers to more effectively carry out their mission.

The Department operates 67 financial management systems that include 133 applications, and a number of mission area financial management subsystems. The data in some systems is neither timely nor readily accessible. Many systems were developed to address specific agency needs with little central coordination or oversight by the Department. Standardization and data interchange were frequently not addressed when the systems were built, and as a result, information is often incompatible with related information drawn from other systems. Consequently, generating consolidated reports and responding to queries from within and outside the Department is often a complex and labor-intensive task.

In 1993, the OCFO established a highly trained, full-time, dedicated, interagency, interdisciplinary project team to develop the Financial Information Systems Vision and Strategy (FISVIS) project. The goal of the project was to establish financial standards and definitions, and develop a Departmentwide Foundation Financial Information System (FFIS).

The Department views the move towards a single, integrated system as encompassing three interrelated elements. Those elements are (1) the implementation of FFIS, (2) effectively interfacing or integrating data from other financial and mixed systems, and (3) modernizing or replacing certain financial, administrative, and mixed systems. USDA has made significant progress in achieving each of these elements. FFIS is in the process of implementation. The Department, through the National Finance Center (NFC) and the Modernization of Administrative Processes (MAP) program, is modernizing its administrative systems and USDA agencies are modernizing their agency-specific financial systems and the financial portions of mixed systems. Agency-specific systems that comply with USDA financial management policies and standards are being developed by Rural Development (RD); Forest Service (FS); Risk Management Agency (RMA); Farm Service Agency (FSA); Food and Consumer Service (FCS); and the Natural Resources Conservation Service (NRCS). At the same time, agencies such as the Animal and Plant Health Inspection Service (APHIS) and the Agricultural Research Service (ARS), among others, are eliminating agency-specific financial systems by utilizing Department-wide systems capabilities.

■ Objective 1.1

Implement and maintain a Department-wide single, integrated, financial management information system.

Strategies for Achieving the Objective

- Implement USDA mission areas and agencies into FFIS (FY 2000).
- Ensure that the accounting systems being planned and under development adhere to applicable Joint Financial Management Improvement Program (JFMIP), Treasury, and USDA standards and requirements (ongoing).
- Interface current NFC systems with FFIS (FY 1999).

Performance Measures

- A single, integrated financial information system in compliance with Office of Management and Budget (OMB) Circular A-127, JFMIP requirements, and the Federal Financial Management Improvement Act of 1996 (FFMIA).

■ Objective 1.2

Modernize administrative systems at the NFC.

Strategies for Achieving the Objective

- Modernize NFC's Payroll/Personnel System (FY 1999).
- Modernize NFC's Administrative Payments System and underlying technology (FY 2000).
- Modernize NFC's business processes (ongoing).

Performance Measures

- Modernized financial, administrative, and related systems at NFC in compliance with Department-wide administrative architecture and meeting needs of client agencies.

■ Objective 1.3

Modernize agency-specific financial and mixed systems.

Strategies for Achieving the Objective

- Implement FSA CORE Accounting System (FY 1999).
- Interface the FCS Agency Financial Management System (AFMS) with FFIS (FY 1999).
- Reengineer NRCS financial management (FY 1999).
- Develop and implement the FS Infrastructure Management Information Systems for real property (FY 1998).
- Modernize and interface FS systems (FY 1998).
- Implement Rural Housing Service (RHS) Direct Loan Origination and Servicing (DLOS) system (FY 1998).
- Implement the RD Community and Business Programs Direct Loan Accounting and Management Information System (FY 2000).
- Implement the new RD Guaranteed Loan Accounting System (FY 2000).
- Implement the new RD Appropriation Accounting System (FY 2000).
- Implement a fully integrated budget, accounting, and financial reporting system that addresses all phases of RMA financial responsibilities (FY 1999).

Performance Measures

- Modernized agency-specific financial and mixed systems in compliance with USDA standards and fulfilling needs of users.

Goal 2

Provide complete and comprehensive financial management reporting.

Complete and comprehensive financial reports promote proper stewardship of Federal resources, facilitate decision making, accommodate streamlining, and improve program delivery by improving the ability of program managers to make reasoned financial decisions. The goal of USDA financial managers is to provide complete, comprehensive, and readable financial reports that meet the needs of program managers and satisfy legislative mandates.

Management accountability is the expectation that officials are responsible for the quality and timeliness of program performance: increasing productivity, controlling costs, mitigating adverse aspects of mission area and agency operations, and assuring that programs are managed with integrity and in compliance with applicable laws. Management controls, on the other hand, are tools to help program and financial officials achieve results and safeguard the integrity of their programs. The importance of management accountability and control is addressed both explicitly and implicitly in many statutes and executive branch documents. The Federal Managers' Financial Integrity Act (FMFIA) establishes specific requirements with regards to management controls: Controls must be established to reasonably ensure that obligations and costs comply with applicable law; assets are safeguarded against waste, loss, unauthorized use or misappropriation; and revenues and expenditures are properly recorded and accounted for. In addition, financial systems that protect the integrity of USDA programs must be evaluated on an annual basis. Lastly, the Inspector General (IG) Act Amendments of 1988 require the Secretary to report on the status of management decisions and final actions taken on audits. Audits without final action 1 year from the management decision date must be reported in the Secretary's Management Report.

USDA has reported noncompliance with the FMFIA for the past 6 years, due in part to inadequate financial management systems, both at the Departmental level and within USDA mission areas and agencies. USDA's 1996 FMFIA Report included 39 material weaknesses and 12 financial systems nonconformances; however, USDA agencies have made progress in reducing the number of material weaknesses and financial systems nonconformances by establishing project teams to address specific problem areas.

In an attempt to make reporting more comprehensive and understandable, Government Management Reform Act (GMRA) mandates simplification of Federal financial reporting by consolidation into a single, annual Management Accountability Report by FY 1999. This single report will consolidate the reporting requirements of several Acts: GPRA, FMFIA, IG Act Amendments, the Prompt Pay Act and others.

Making agencies accountable for their performance is the intent of GPRA. GPRA requires the development of strategic plans with performance goals, and measuring accomplishments against those goals. Within USDA, GPRA implementation is coordinated through OCFO, with the help of the USDA financial management community and the collaboration of the Office of Budget and Program Analysis (OBPA). Recently, OMB directed agencies to integrate the GPRA strategic planning requirements into the budget formulation and execution process. The reporting of performance information in budget submissions will force managers to look closely at resource allocation, and enable decision makers to allocate resources to programs that are demonstrated to be effective and efficient.

■ Objective 2.1

Report compliance with the requirements of FMFIA.

Strategies for Achieving the Objective

- Correct management control issues and systems nonconformances as they are identified (ongoing).
- Implement new financial systems (see Financial Management Systems section).
- Incorporate management controls into program operations to strengthen management accountability (ongoing).

Performance Measures

- Compliance with FMFIA requirements.

■ Objective 2.2

Reduce significantly the number of audits without final action 1 year after the management decision.

Strategies for Achieving the Objective

- Streamline the audit follow-up process (ongoing).
- Implement new financial systems (see Financial Management Systems section).
- Ensure management awareness of significant audit issues (ongoing).

Performance Measures

- Improved action on audit recommendations.

■ Objective 2.3

Implement strategic planning as the foundation for budget preparation and strategic goals as the basis for resource allocation.

Strategies for Achieving the Objective

- Provide training opportunities to agencies on strategic planning to assure that strategic planning flows through USDA organizations (ongoing).
- Assure that annual performance plans serve as the focus of budget preparation and resource allocation, and for discussion with OMB and the Congress (ongoing).
- Review and analyze the strategic plans, and work with the agencies to revise them as necessary (First Quarter, 1999).

Performance Measures

- Strategic planning is integrated with budgeting and program management throughout USDA.

■ Objective 2.4

Prepare a single Management Accountability Report.

Strategies for Achieving the Objective

- Identify components of Management Accountability Report (FY 1998).
- Prepare first Management Accountability Report (FY 1999).

Performance Measures

- A single Management Accountability Report for FY 1999, including consolidated financial statements and reporting required by GPRA, FMFIA, IG Act Amendments, and others.

Goal 3

Provide consistent, reliable, and timely financial statements, worthy of an unqualified audit opinion.

Financial statements document the execution of program managers' financial responsibilities. Federal Government managers and officials, as well as the citizens of this country, are entitled to comprehensive, consistent, and understandable financial statements on the financial position and operations of USDA. To ensure the integrity of financial statements, it is critical that they are based on a comprehensive set of accounting standards, and that compliance with those standards is measured on a regular basis.

The integrity of USDA financial statements is addressed annually by the OIG, which issues a report and opinion. Six USDA entities and the Department issue separate statements. The following table summarizes the results of audits of the financial statements of USDA and its agencies for fiscal years 1992 through 1996.

Comparison of the FY 1996 Financial Statements Audit Opinions to Prior Years

Organization	FY 1996	FY 1995	FY 1994	FY 1993	FY 1992
CCC	Disclaimer	Unqualified	Unqualified	Unqualified	Unqualified
FCIC*	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
FCS	Qualified	Unqualified	Disclaimer	Unqualified	Unqualified
FS	Disclaimer	Adverse	Qualified	Qualified	Adverse
RD	Qualified	Qualified	_____	_____	_____
FmHA**	_____	_____	Qualified	Unqualified	Unqualified
REA***	_____	_____	Unqualified	Unqualified	Unqualified
RTB****	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
USDA	Disclaimer	Disclaimer	Disclaimer	Qualified	Adverse

* Federal Crop Insurance Corporation

**** Rural Telephone Bank

** Farmers Home Administration

_____ No Opinion

*** Rural Electric Agency

The audit opinion on USDA consolidated financial statements is being adversely impacted by:

- the FS audit opinion;
- lack of controls over establishing and re-estimating loan subsidy costs for not only the RD programs, but also the farm loan programs administered by FSA;
- lack of adequate controls over inventory recorded in the Commodity Credit Corporation (CCC) Processed Commodity Inventory Management System (PCIMS); and
- financial systems nonconformances and management control weaknesses that exist at NFC.

FS, OCFO, and OIG formed a team in August 1996 to ensure that FS material weaknesses outlined in the FY 1995 audit report are corrected. The goal is to receive

an improved FS audit opinion for FY 1997 and FY 1998, and an unqualified audit opinion for FY 1999.

The primary reason RD received a qualified audit opinion is the need for strengthened controls for establishing and re-estimating loan subsidy costs. OCFO, OIG, RD and FSA have been working together to identify a methodology that managers and auditors can use to document and support assumptions and cash flows used to establish and re-estimate loan subsidy costs. These methods are being implemented in FY 1997 so that unqualified opinions may be achieved for FY 1998 or FY 1999. In addition, as RD & FSA modernize their financial systems they will incorporate functionality to enable them to more effectively perform credit accounting reform.

CCC has been performing detailed reconciliations to adjust both the PCIMS and the applicable general ledger inventory accounts on an ongoing basis.

It is anticipated that many of the NFC systems and control weaknesses will be eliminated with implementation of the new FFIS beginning in FY 1998. The other material weaknesses are under review and appropriate corrective actions will continue until adequate controls are in effect.

Cost accounting provides managers with quantitative financial information that is essential for informed decision making. Sound cost accounting and management systems must be established in USDA to provide the consistent reliable, timely, and useful cost information needed by program managers to set fees and charges for goods and services provided. In addition, USDA must comply with Federal Government requirements that address cost information, such as those included in the CFO Act, GPRA, GMRA, FFMIA, and JFMIP.

■ Objective 3.1

Obtain an unqualified audit opinion on USDA consolidated financial statements for FY 1999 and beyond, and on all USDA mission area and agency stand-alone financial statements.

Strategies for Achieving the Objective

- Implement actions to enable all USDA agencies to receive an unqualified opinion (ongoing).
- Eliminate all material weaknesses identified in OIG audits of financial statements, particularly for the FS and NFC (Fourth Quarter, 1998) and the RD mission area (Fourth Quarter, 1998).
- Ensure implementation of FFIS with no material weaknesses (ongoing).

Performance Measures

- Unqualified opinion on Department-wide and agency financial statements.

■ Objective 3.2

Implement Departmental and Government-wide financial and accounting standards and requirements.

Strategies for Achieving the Objective

- Ensure that the *USDA Financial and Accounting Standards Manual* is up-to-date and readily accessible (ongoing).

- Implement Departmental and Government-wide financial and accounting standards and requirements as required (ongoing).
- Monitor USDA agency compliance with the standards and requirements (ongoing).

Performance Measures

- Financial information is prepared and presented consistently Department-wide.

■ **Objective 3.3**

Establish and implement USDA cost accounting standards that are in conformance with JFMIP's "Cost Accounting System Requirements," and other applicable standards and requirements.

Strategies for Achieving the Objective

- Identify the full cost of outputs of each responsibility segment (ongoing).
- Identify in the *USDA Accounting and Financial Statements Guidance Manual* the general-purpose financial report(s) for reporting the full cost of outputs (ongoing).
- Assist USDA managers and officials to resolve cost accounting issues and problems (ongoing).
- Provide cost information that is responsive to needs (ongoing).

Performance Measures

- Compliance with FASAB standards.
- User fees collect full costs of service.
- Policy and program personnel routinely use cost information for management decision-making.

Goal 4

Modernize methods of payment and collection, improve management of receivables, and safeguard assets.

The purpose of an asset management program is to protect and improve the management of Government resources. The Department must track assets to know where they are, collect monies when they are due, and disburse funds in a timely manner. The asset management program provides policies and procedures for collecting monies from delinquent debtors, promotes safe and reliable collection and disbursement procedures, implements the Prompt Payment Act, and ensures adequate controls over real and personal property and inventories.

Credit management and debt collection are mandated by the Debt Collection Act of 1982, as amended; the Debt Collection Improvement Act (DCIA) of 1996; OMB Circular A-129, "Managing Federal Credit Programs"; the Federal Claims Collection Standards, as amended; and the Treasury Financial Manual. Federal credit programs are created to accomplish a variety of social and economic goals, and agencies must implement policies and establish practices that ensure that those goals are met while properly identifying and controlling costs. In addition, Federal receivables, whether from credit programs or other nontax sources, must be serviced and collected in an effective and efficient manner to protect the value of the Federal Government's assets.

Cash management is concerned with three key activities: accelerating receipts and deposits, timely disbursement of payments, and investment of temporary excess cash balances. The Department has pioneered many cash management collection and disbursement initiatives, such as the use of concentration banking systems, preauthorized debits, customer-initiated payments, electronic funds transfer (EFT), lockboxes, credit cards, third-party drafts, and direct deposit.

The OCFO has oversight responsibility for asset management systems, including Federal assistance programs. Federal assistance supports more than 130 programs through a wide variety of arrangements, including grants, cooperative agreements, direct loans and loan guarantees, insurance and insurance guarantees, and technical assistance. The total value of these arrangements accounts for all but a small percentage of the Department's budget authority.

■ Objective 4.1

Improve the management of outstanding debt.

Strategies for Achieving the Objective

- Implement DCIA; develop policies and procedures to assure the timely implementation of credit management and debt collection initiatives (ongoing).
- Standardize procedures for credit management and debt collection (ongoing).
- Expand the use of debt collection tools (ongoing).
- Improve agency receivable accounting practices (i.e., procedures for write-offs) (ongoing).
- Participate in the Government-wide administrative offset program (ongoing).

Performance Measures

- Improved collection of outstanding debt with reduced delinquencies and write-offs.

■ Objective 4.2

Implement EFT requirements for payments.

Strategies for Achieving the Objective

- Develop the Departmental implementation plan (ongoing).
- Identify and address issues and barriers (ongoing).
- Implement new procedures (Fourth Quarter, 1998).

Performance Measures

- All payments, except those waived by Treasury, are made by EFT by 1/1/99.

■ Objective 4.3

Improve the USDA process for administering grants and agreements with non-Federal organizations.

Strategies for Achieving the Objective

- In partnership with FCS and the Department of Health and Human Services, update the rules for entitlement programs (ongoing).

- Transfer USDA's coverage of entitlement programs to new regulations; identify needed changes to existing procedures (Third Quarter, 1998).
- Publish the proposed regulations (First Quarter, 1999).
- Issue the final regulations (Fourth Quarter, 1999).
- Submit proposed legislation to Congress for a pilot project with smaller governmental entities (Fourth Quarter, 1999).
- Implement pilot (FY 2000).

Performance Measures

- Streamlined regulations for small (State and local) government entities.

■ **Objective 4.4**

Redesign Federal Assistance Award Data System (FAADS).

Strategies for Achieving the Objective

- Complete the systems development work on the redesign of FAADS (First Quarter, 1998).
- Test and implement the newly redesigned FAADS (Fourth Quarter, 1998).

Performance Measures

- Streamlined method to obtain information on Federal awards.

Goal 5

Build a community of financial officials that speaks with one voice, resolves common problems, and reaches common goals.

The USDA financial community must work together to communicate the benefits of good financial management, resolve common issues, and develop a competent, professional financial management workforce. The CFO Advisory Council was created to unite the USDA financial community, and provide opportunities to share information and work together to accomplish common goals. The Council is comprised of the top financial officers of USDA mission areas, and meets monthly to discuss, debate, and make recommendations to the CFO on specific financial issues and initiatives.

In an environment of decreasing resources, it is necessary to find more efficient ways of training personnel, providing financial information, and accomplishing financial management objectives. The Advisory Council recognizes that, with dwindling resources, a joint effort is necessary to establish an effective professional development program. Therefore, the Council is in the process of developing a training policy and program for professional development of financial managers.

■ **Objective 5.1**

Establish a framework that will provide USDA with a highly motivated and well-trained financial management workforce.

Strategies for Achieving the Objective

- Implement the USDA CFO Advisory Council recommendation to develop a Financial Management Professional Development program (ongoing).
- Establish and maintain a Departmental Continuing Professional Development Program (ongoing).
- Encourage employees to achieve relevant professional credentials and certifications, and support them in doing so (ongoing).
- Identify and/or develop educational opportunities for financial and program officials (ongoing).
- Develop training technologies that are cost effective, on demand, interactive, self-study, and/or remote-location accessible (ongoing).
- Initiate rotational and cross-training assignments within the financial community (ongoing).

Performance Measures

- Improved skills and capabilities of financial management personnel.

■ Objective 5.2

Encourage a collective USDA effort regarding financial management and human resource interests.

Strategies for Achieving the Objective

- Enhance the joint working relationship between OCFO and the USDA agencies to strengthen the overall structure of the USDA financial community (ongoing).
- Maintain the CFO Advisory Council to address financial management issues (ongoing).
- Organize financial interest groups to address specific financial problem areas (ongoing).

Performance Measures

- USDA financial personnel support the needs of the programs.

Office of the Chief Information Officer (OCIO) Strategic Plan

Table of Contents

Introduction	11-75
Key External Factors	11-75
Mission	11-75
Goals	11-75
Management Initiatives	11-86
Linkage of Goals to Annual Performance Plan	11-87
Resources Needed	11-87
Program Evaluation	11-88
Role of External Entities	11-88



Introduction

The Office of the Chief Information Officer (OCIO) serves the United States Department of Agriculture (USDA) agencies and supports program delivery by planning, directing, and coordinating the Department's Information Resources Management (IRM) and technology programs.

The USDA has identified four Departmental priorities:

- Expanded economic and trade opportunities for farm and other rural residents;
- Ensure a safe and affordable food supply;
- Sensible management of our natural resources; and
- Providing our services efficiently and effectively.

The Office of the Chief Information Officer (OCIO) in concert with USDA agencies must use information as a strategic resource to help accomplish these priorities. The Information Technology Management Reform Act (ITMRA) of 1996 established new information management requirements including the implementation of an Information Technology (IT) architecture and the commencement of a Capital Planning and Investment Control process. To meet the requirements of ITMRA, and to provide a Departmental focus for IRM issues, the OCIO provides Department-wide policy guidance, leadership, coordination and direction to the Department's information management and IT investment activities in support of USDA program delivery. The OCIO develops these partnerships by working with the Federal CIO Council, USDA agency IRM and program managers, the USDA Executive Information Technology Investment Review Board, and the USDA IRM Council.

Key External Factors

There are several external factors that may affect the achievement of OCIO goals and objectives. Among these are the following: (1) variances in programmatic or legislative mandates brought about by major changes in the quantity, type, and utilization of information, (2) the rapid pace of change in technology and (3) the ability to acquire qualified personnel.

Mission

To strategically acquire and use information and technology resources to improve the quality, timeliness, and cost effectiveness of USDA service delivery to its customers.

Goals

Goal 1

Ensure decisions regarding the selection and deployment of information technology are based on USDA business needs.

IRM initiatives must involve USDA-wide solutions to be effective and affordable. Because information resources consume a large portion of the budget and play an increasingly important role for program delivery, it is essential that senior program and information management officials work together to manage USDA's portfolio of information technology investments.

Aligning information technology to mission goals is fundamental to successful IT programs. USDA must implement a strategy to capitalize on emerging technologies that provides timely solutions to its business needs. USDA has begun to examine the way in which its IRM organizations do business in order to capitalize on opportunities for change and to meet legislative requirements. Improved management of infor-

mation resources will result in reduced costs in many areas, but more importantly will enable USDA to greatly improve service to its customers while reducing the information collection burden on the public.

■ Objective 1.1

Use a decision-making process within USDA that makes the program and IT officials responsible for IT investment.

Ensuring that IT decisions meet core business needs requires the engagement of a broad spectrum of the USDA community, beginning with the most senior-level program officials. It will be necessary to clearly define roles and relationships within USDA that articulate responsibility and accountability for IT decisions. The USDA program and technical communities must work in partnership to share responsibility for the selection and management of its information systems. USDA plans for investment in information technology must be directly linked to the core business processes and strategic business direction articulated in its strategic plans. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Create an Executive Information Technology Investment Review Board (EITIRB), consisting of mission area executives and chaired by the Deputy Secretary to oversee major IT initiatives. The Board will recommend and enforce decisions on project initiation, continuation, modification, or cancellation based on evaluation of risks, costs, and benefits.
- Clarify roles and responsibilities of existing interagency councils, boards, working groups and other bodies as related to IT management. Consolidate these groups, as appropriate, to achieve greater effectiveness and reduce redundancy.
- Clearly define the responsibilities, authorities, and accountability of program managers for IT investments.
- In partnership with the agencies, the OCIO will revise Departmental regulations and policies concerning IT management and information collection to reflect the new legislative and USDA requirements.

Performance Measures

- Future IT investment decisions are based on program and business needs founded in a formal Departmental decision-making process.
- Departmental IT activities are directly linked to the mission they support, as identified in IRM planning and budgeting documents.

■ Objective 1.2

Establish a standard Capital Planning and Investment Control (CPIC) Program in USDA to ensure IT investments are made in direct support of business objectives and managed prudently.

USDA must ensure that its IT investments deliver a substantial business benefit to agencies and a positive return on the investment for taxpayers. In order to meet these requirements, ITMRA legislates the establishment of an effective and efficient capital planning and investment control process. The CPIC Program will establish a process for the Department for selecting, managing, and evaluating the results of all major investments in information technology. As an integral part of the IT acquisition process, it will require senior management to take decisive actions that address IT investment issues. The CPIC Program will be developed to support the EITIRB in its decision-making role. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Implement a program to develop a systematic approach to managing the risks and benefits of IT investments for USDA. Methodologies, processes, and policies will be identified and defined for risk assessments, benefit/cost analyses, investment thresholds and criteria, analysis of alternatives, and screening process for the selection phase of the CPIC Program.
- Pilot the methodologies, processes, and policies developed above for the FY 1999 budget process. "Lessons Learned" will be used as feedback to modify selection decision criteria and the investment control processes.
- Institutionalize and standardize the discipline of project management within USDA. A methodology and best practices will be incorporated into policies. A cadre of project managers from USDA agencies will be trained.

Performance Measures

- The process by which IT investments are evaluated and selected in USDA is clearly documented and promulgated. The process is scalable for use at various levels of IT decision-making within the Department.
- IRM budgeting and planning is improved and based on the IT Capital Planning and Investment Control process.

■ Objective 1.3

Identify opportunities for streamlining program and administrative business activities, and the technology that supports them, through the development and implementation of a business/data architecture.

As part of USDA's effort to define and implement an information technology architecture, process/data specialists are developing USDA-wide process and data descriptions to identify opportunities for business process improvements, data sharing, and technology selection. These models are being stored in a pilot data repository to which all agencies are afforded access. The Business/Data Architecture initiative is leveraging existing documentation to create Department-wide and mission area views of USDA work processes and data at a very general level of detail. Future efforts will continue the examination, analysis, and documentation of processes and data in more detail to create structured models of USDA's business.

The Business/Data Architecture team, along with program managers and senior-level leadership, will examine the high-level descriptions to select subsets of the busi-

ness for more detailed analysis and documentation. These subsets will be selected based on evidence that further examination, analysis, and documentation will yield economy, mitigate risks, or support immediate business improvements. This effort will become the starting point for senior-level management to ensure that Departmental IT investment decisions support core business objectives and efficient business processes. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Describe, validate, and document core business processes used within USDA programs and mechanisms that support USDA operations.
- Identify data classes, in the form of data models, required to support business processes.
- Link processes to organizational components, processes to information needs, and information needs to business entities and support process reengineering projects.

Performance Measures

- USDA program and IT communities use the pilot and operational data repositories to identify opportunities for business process reengineering. Management reports are made available from the repository to facilitate this process.
- Business process reengineering projects have OCIO participation and use the results of the business data architecture.

■ **Objective 1.4**

Coordinate with the Departmental planning process to ensure that it links IT planning to business planning and the USDA budget process.

Under GPRA, the ITMRA, OMB Circulars A-130 and A-11, and other requirements, agencies prepare a variety of IRM-related and program plans. Although these plans differ in purpose, they interrelate. Under this objective, various strategies will be employed to look for options for coordination and streamlining of these requirements.

This effort begins with the recognition that in order for business and IT investment plans to be mutually supportive, the processes for plan development must be integrated. The approach emphasizes the need to develop useful plans through a constructive, timely planning process based on sound management principles and defines accomplishments that can be measured. As it matures, IT, strategic, and budget planning will all become integrated components essential for supporting agency budget requests and approvals. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Define and institute a process that firmly integrates business and IRM planning.
- Update, as needed, planning policies and procedures.

Performance Measures

- IRM planning is integrated with GPRA and Capital Planning and Investment Control and results in efficient, effective, and cost-beneficial program delivery. Departmental and agency planning processes are coordinated.

■ Objective 1.5**Reduce risk in USDA information technology through implementation of system life cycle management practices.**

To ensure that information systems are efficiently developed and meet established business requirements, procedures that govern the management of these systems throughout their entire life cycle must be defined and implemented. These procedures will address the link between systems development documentation, strategic business plans and USDA architecture components. Life cycle management procedures will also include clear identification of performance criteria for each phase of a project's life. The USDA systems life cycle methodology will focus on creating a process for requirements definition, system design, development, testing, delivery, support, ongoing change management, retirement of systems, and technology infrastructure. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Employ pilot testing, simulations, and prototype implementation prior to full production.
- Deploy information systems in phased, successive modules of narrow scope and duration so that measurable benefit of each investment can be made independently and before additional elements of the project are undertaken.
- Undertake acquisition strategies that allocate risk between the Government and contractors, effectively use competition, build incentives for project accomplishment, and take maximum advantage of commercial technology.

Performance Measures

- USDA adopts and uses a standard system life cycle methodology which will be measured by policies instituted, personnel trained, and major systems which conform to policy guidelines.

■ Objective 1.6**Establish an assessment methodology for Departmental and agency IRM programs that will ensure sound management practices are being used to achieve measurable improvements.**

The Department has been challenged by Federal oversight agencies to provide increased assessment and evaluation of USDA's information systems and technology activities. To meet these demands, the Department has recently re-established its USDA IRM Review Program. This program will be the mechanism used to perform

communication. A USDA IT architecture will help align the appropriate uses of technology with the business needs of the Department. This effort is designed to establish standards on which technical migration strategies for existing systems can be based. The infrastructure that will emerge from adherence to these standards will provide the information technology capabilities necessary to support business objectives. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Develop policy to implement IT architecture standards and implement configuration management controls to ensure architecture compliance across USDA.
- Develop and distribute guidance for agencies to reflect IT architecture migration strategies within their respective strategic plans.
- Identify IT architecture-conforming contracts from which agencies can procure compliant technology.
- Develop additional Departmental contracts for specific IT architecture components.
- Develop standards specifications for use in agency and Departmental contract development.
- Conduct IT architecture compliance assessments as part of ongoing IRM reviews.

Performance Measures

- Migration strategies are developed in key areas including Service Center implementation, Modernization of Administrative Processes, and financial systems. Migration strategies for all major legacy systems to conform to the USDA technical architecture are developed.
- Agency IT acquisitions are architecturally consistent.

■ **Objective 2.2**

Design and implement a USDA Telecommunications Enterprise Network.

USDA's Enterprise Network (EN) Initiative is designed to migrate the current USDA telecommunications environment from a "heterogeneous," agency-specific group of networks to a uniform network architecture that will support interoperability for inter-agency communications, permit data exchange among agencies and programs, allow efficient program delivery, consolidate telecommunications operations, and eliminate redundant services, facilities, resources, and operations.

The EN initiative is based on maximizing USDA's return on investment through a life cycle process of migrating individual agency legacy telecommunications systems and proprietary networks into a homogeneous network providing new or expanded services. Implementation of some network components has already been concluded. The telecommunications infrastructure must change to support business needs by providing seamless connectivity, facilitating interagency data sharing, and satisfying the needs of its customers. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Avoid duplications, identify and consolidate, to the extent practical, individual agency telecommunications projects.
- Determine and compile agency telecommunications requirements and develop cost estimates for viable enterprise network alternatives.
- Develop enterprise network security policies.
- Develop and implement an enterprise network architecture. Develop strategies for integrating telecommunication systems within USDA to form the enterprise network.
- Implement a single management scheme for Internet Protocol (IP) addressing.

Performance Measures

- Telecommunications plans are reviewed for compliance with the Enterprise Network and recommendations are made for consolidations.
- A Department-wide Telecommunications Enterprise Network is operational.
- Agencies and key programs have provided OCIO with migration strategies.

■ Objective 2.3

USDA will assess established and emerging technologies, including hardware, software, communications, artificial intelligence, and other aids to human decision making, for opportunities to improve its service delivery.

In collaboration with the Chief Information Officer, USDA agencies will examine new technology to determine its applicability for improving the delivery of services to its customers. This effort will consider the context of singular use and the comparative power of combining one or more technologies. USDA will explore innovative technology and approaches for deploying such technology through the development of pilot projects, prototypes, and expanding identified successes. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Develop an on going bench marking capability to identify new, innovative, and emerging technology for USDA.
- Survey USDA agencies to identify successful deployment of innovative and new technology.
- Create centers of excellence within the Department for the deployment of innovative technology.

Performance Measures

- OCIO has designated a focal point for all emerging technology activities including identification of uses of new technology in USDA.
- The Executive Information Technology Investment Review Board identifies and endorses centers of excellence in emerging technology for use by USDA agencies.

■ Objective 2.4

Develop and implement funding and acquisition strategies to implement information technology initiatives.

The OCIO will develop a budgeting strategy for implementing Department-wide IT, in the context of a Capital Planning and Investment Control Program. Funding for technology initiatives must be made to accommodate the collective needs of the Department arising from baseline assessments of assets, legislative mandates, strategic objectives, and investment priorities.

A Departmental funding strategy for technology investment decisions which are made based on standardized criteria will be beneficial, both to the Department and to individual agencies. Agencies will be assured of budgets for critical program-supporting technology, while the Department can be assured of a technical infrastructure which conforms to its enterprise architecture. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Establish a pool of agency funds for specific architecture initiatives not funded by appropriated budgets arising from agency requests. Criteria for technology assets to be acquired with these funds will be established by the Executive Information Technology Investment Review Board (EITIRB) in collaboration with the USDA IRM Council Board.
- The OCIO, in collaboration with the EITIRB, will develop and advance specific budget requests for selected projects arising from an analysis of USDA's business needs and objectives. Department-wide appropriations requests will be developed for technology infrastructure necessary to support business objectives, which ultimately will migrate the Department to a standards-based architecture.
- The Department will arrange for funding specific components of its information technology architecture. This approach will require component prioritization and will lead to a more standardized Departmental platform.

Performance Measures

- A funding pool is established to implement IRM initiatives, and the EITIRB establishes criteria for initiative selection.
- The Department has acquired specific architecture components.

■ Objective 2.5

Implement a Department-wide data management program.

A Department-wide data management program will identify and develop appropriate data standards, guidelines, and policies necessary to ensure improved data sharing within the Department. In recognition of the value of the Department's data resources, the program must provide for risk analysis and security measures for these resources. Through collaboration with the Department's Business/Data Architecture effort, the USDA Data Management Program will ensure data priorities are linked directly to business objectives. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Establish and implement data standards to increase the opportunity for sharing data.
- Establish an organizational structure, including roles and responsibilities, necessary to support an effective USDA Data Management Program.
- Identify and install the tools and techniques necessary to manage the Department's data assets.
- Implement an information repository, complete with rigorous change management procedures, to organize the Business/Data Architecture documentation and support component re-use.

Performance Measures

- Data standards have been issued, Data Management Life Cycle Process documents have been published, and agencies expand the amount of data they share.
- OCIO and the Data Management Subcouncil establish periodic seminars and forums on Business/Data Architecture.
- OCIO has evaluated and selected data dictionaries and directories for Departmental use.

■ Objective 2.6**Administrative Convergence.**

Effective delivery of USDA County-Based programs will be enhanced by making administrative improvements, using standardized administrative systems and better utilization of technology. A combined effort of the County-Based Agencies, the Chief Information Officer and the Assistant Secretary for Administration (ASA) will structure an administrative organization that consolidates administrative services and utilizes standardized systems and IRM-related activities. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Temporarily assign to the ASA and CIO the full authority and responsibility for administrative management activities and all attendant resources related to the County-Based Agencies.
- Establish a convergence planning team chaired jointly by the CIO and the ASA.
- Develop an implementation report that includes consolidation of headquarters units, consolidates State-level units and addresses regional centers.

Performance Measures

- Completion of an administrative reorganization of the County-Based Agencies.
- An inventory of administrative systems requiring modification is established and a migration strategy is developed.
- Reduced costs for administrative support of county-based programs.

OCIO

■ Objective 2.7

Develop and implement the USDA Year 2000 Project.

Unless corrections are made, it is possible that many information technology systems will fail by the year 2000 because of invalid date computations. The Department must analyze and assess the extent of this problem and implement corrective measures to ensure that this failure does not occur. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Establish a Year 2000 project team to guide the Department's efforts. Define and develop Year 2000 Project initiatives that will ensure total compliance with all requirements.
- Evaluate funding options for the Year 2000 initiatives.
- Raise the overall level of awareness throughout the Department.
- Develop an inventory of information technology systems that will require modification to meet Year 2000 compliance.
- Conduct an assessment of risk to the Department.
- Develop an implementation strategy, utilizing a phased approach, to include conversion methodology and procedures, priorities, and test plan.

Performance Measures

- Awareness of the Year 2000 issue is pervasive throughout the Department.
- An inventory of information systems requiring modification is established.
- There is no disruption of service in the year 2000.

■ Objective 2.8

Use new and emerging technologies to enhance the management and dissemination of information and reduce the information collection burden on the public.

USDA recognizes that it is information that is the basis on which the Department conducts business with its customers. Improving customers' access to information and reducing the collection burden will improve their ability to make informed decisions regarding USDA programs. New technological advances have recently emerged that hold great promise for improving the dissemination of information. This OCIO objective supports USDA Management Initiative 3.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Objective

- Control the paperwork burden on the public by managing the Departmental Information Collection Budget Program.
- Develop an electronic communications environment, based upon technology that supports collaboration and allows individuals to share information as needed.

- Use portable computing technologies, video conferencing, and global positioning systems to enhance field support operations and information exchange.
- Infuse electronic commerce and electronic data interchange technologies into business processes where it will improve operational efficiency.

Performance Measures

- USDA use of network technology expands. Information will be more accessible due to the employment of new technology.
- The information collection burden on the public is reduced as identified by reduced burden hours reported in the annual collection budget reports.

Management Initiatives

■ Management Initiative 1

Implement a professional development strategy to ensure that USDA's program and IT staffs possess the skills necessary to meet the challenges of effectively delivering programs and services with information technology.

In order for both the business and technical communities in USDA to fully support the business requirements of the Department, a concerted effort must be made to assess the skills of its technical and program staff, identify deficiencies, and take corrective action to train and inform employees responsible for providing technical support. A professional development program will be established to address both the needs of those who deliver and support technology within the Department, as well as those who use it. To increase the knowledge and understanding of program officials as it pertains to the utilization of information resources management practices, OCIO must create an information exchange process that pulls management and IT disciplines together. This OCIO objective supports USDA Management Initiative 1.

Time Frame for Completion

Through FY 2002.

Strategies for Achieving the Management Initiative

- Design and implement a skills assessment of USDA's information technology and business communities.
- Develop consistent and focused management and IT cross-training programs across USDA.
- Utilize the agency Investment Review Boards as an information exchange forum.

Performance Measures

- OCIO has identified training requirements and opportunities and has identified lead agencies to carry out training programs.
- USDA personnel are better skilled as reflected in smaller turnover and quicker job completion.
- An increase in knowledge about information management issues as determined by program issues being better defined in IRM planning and budget documents.

■ Management Initiative 2

Continually improve the quality and effectiveness of the OCIO workforce and ensure the civil rights of all.

The OCIO will train and recruit personnel to meet its mission and continually improve its work force by selecting and retaining top-quality individuals, and improving employees' skills. This OCIO objective supports USDA Management Initiative 2.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Management Initiative

- Continue to recruit potential employees from all sectors and hire the most qualified.
- Ensure that all decisions related to personnel actions are in concert with the Department's civil rights compliance and enforcement functions, and that all individuals are treated with the respect that they deserve.
- Ensure that senior executives and supervisory managers are aware of Equal Employment Opportunity and Civil Rights responsibilities.

Performance Measures

- All vacancies are filled promptly with the most qualified candidate.
- Any and all complaints are handled justly and promptly.

Linkage of Goals to Annual Performance Plan

The OCIO annual performance plan was developed directly from the OCIO strategic plan. Specific activities, tasks, and their outcomes contained in these annual performance plans will support the objectives that have been identified for each goal. A large number of the objectives identified in the plan require collaboration among agencies. The OCIO annual performance plans will identify Department-wide supporting activities and tasks for capital planning, information architecture, project management, data management and IRM technical standards.

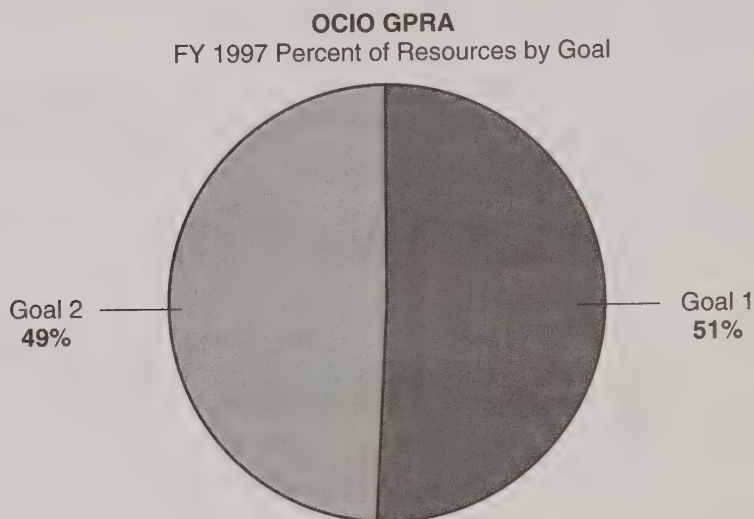
Goal 1 is linked to the following budget program activities: Chief Information Officer, Information Technology Capital Planning, and Investment Control. Goal 2 is linked to Department -wide information and technical infrastructure, Year 2000 compliance, and USDA Enterprise Network.

Resources Needed

The cost associated with the implementation of this plan are USDA, contractor labor, and IT equipment and services. The costs include the opportunity costs where it is anticipated that employees will be rededicated to implement the plan. Opportunity costs are not included for those employees who will make contributions to the plan in their normal course of business.

The chart represents the allocation by percent of fiscal year 1997 OCIO appropriated dollars among Goals 1 and 2.

GPRA Resources for Goals 1 and 2 by Percent



The chart represents the allocation by percent of fiscal year 1997 OCIO appropriated dollars among Goals 1 and 2

Program Evaluation

The OCIO has completed various program reviews and evaluations, in conjunction with the internal and external oversight offices, designed to optimize the business approach utilized to meet the OCIO mission. The results of these reviews have led to program modifications and are reflected in the goals of this strategic plan.

OCIO's evaluation process will consist of reviews of measured performance based on feedback from clients, customers, and USDA IRM management groups. OCIO will participate in IRM Council and EITIRB meetings to assess progress on IRM matters. OCIO will solicit feedback from the IT and management community both internal and external to USDA. OCIO is subject to review of the USDA IRM program by the Office of Inspector General and the General Accounting Office. The OCIO is currently undergoing an entire program evaluation, conducted by the Modernization of Administrative Processes team. The results and recommendations received from the program evaluations will be used to determine and help develop USDA IRM policies.

Role of External Entities

This plan was developed by OCIO with USDA agency participation. Initial sessions were held with representatives from the Department IRM and program community.

OCIO

Office of the General Counsel (OGC) Strategic Plan

Table of Contents

Introduction	11-91
Key External Factors	11-93
Mission	11-93
Goals	11-93
Management Initiatives	11-96
Linkage of Goals to Annual Performance Plan	11-97
Resources Needed	11-97
Program Evaluation	11-97
Role of External Entities	11-97



1990) Isenhardt

1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025

OGC

1990

1990 - 1991

1990 - 1991

1990 - 1991

Introduction

Overview of the scope and dimension of OGC's operations and activities

The United States Department of Agriculture is a large, complex organization, with a diversity of program activities duplicated in few other agencies of the Federal Government. The wide diversity of programs generates a wide diversity of demands for legal services. OGC provides legal advice concerning every major aspect of program decision making. That advice may be delivered orally or in writing, or by clearance of a rulemaking document, item of correspondence, legal instrument or agreement. The advice may be delivered to a program specialist, State director, regional forester, agency administrator, Assistant or Under Secretary, the Deputy Secretary, or the Secretary. OGC drafts legislation for officials of USDA as well as Members of Congress. OGC conducts and assists the Department of Justice in litigation filed against or on behalf of USDA officials.

All USDA legal services are centralized within OGC and the General Counsel reports directly to the Secretary. The organization of the Washington office of OGC mirrors that of the Department. Attorneys are generally grouped in relation to the agency or agencies served except for those working under the supervision of the Associate General Counsel for Legislation, Litigation and General Law, who provide legal advice to all agencies of the Department. The 18 field offices of OGC typically provide legal services to USDA officials in regional, State, or local offices. The bulk of field legal services concerns the Forest Service; Farm Service Agency lending activities; agencies reporting to the Under Secretary for Rural Development; and the Food Stamp Program. This organizational structure of OGC provides a healthy balance of much needed specialization with field-level generalization that enables legal services to be grounded in an understanding of program requirements and the practical aspects of implementing programs in the field.

The foundation of OGC's strategic plan must be to insure that the limited resources of OGC are devoted to providing responsive and reliable legal advice in a manner which recognizes the priorities of the Secretary.

Summary of situations, conditions or needs which OGC responds to or focuses on

In order to ensure that USDA program activities are conducted in a manner which comports with legal requirements, OGC conducts legal review of a wide variety of agency documents. For example, each year OGC conducts a legal review of roughly 2,250 regulations developed to implement USDA programs. OGC also provides legal review of roughly 45,000 documents by which agency program decisions are made. OGC drafts legislation for USDA officials as well as Members of Congress. OGC also reviews legislation pending before the Congress and enacted legislation.

OGC assists the Department of Justice in defending the Department in litigation filed against or on behalf of the Federal Government in Federal court. Cases filed against USDA include, for example, actions against the Forest Service challenging decisions related to management of the National Forests and cases involving lending programs of the Farm Service Agency.

In addition to litigation conducted in the Federal or State courts, OGC represents the Department before administrative tribunals such as USDA's Administrative Law Judges and Judicial Officer, the Equal Employment Opportunity Commission, the Merit Systems Protection Board, and the Board of Contract Appeals. In fiscal year 1995, OGC provided some form of services with respect to nearly 20,000 cases, including both those in Federal court and in administrative forums.

There are a number of programs and recent initiatives which continue to generate a high volume of requests for legal services.

- Congressional implementation of the 1996 Farm Bill legislation imposed an immediate need for extensive legal services. The Secretary made implementation of the Farm Bill his highest priority. Statutory changes made by this new legislation effect all mission areas of the Department.
- The ongoing polarized debate concerning the proper mix of uses made of the National Forests generates litigation, administrative appeals, and informal challenges to policy decisions at all levels of the Department. We see no indication that the demand for legal services in this area will diminish in the foreseeable future.
- Regulatory reform is a priority of the President and the United States Congress. We anticipate a continuing demand for legal services to support agency efforts to reduce regulatory burdens and streamline regulatory programs. At the same time, the Department is engaged in a fundamental restructuring of the meat and poultry inspection programs. Implementation of the HACCP (Hazard Analysis and Critical Control Points) proposal will continue to require considerable legal support.
- Welfare reform legislation has been enacted. This legislation imposes a number of new conditions for participation in the Food Stamp Program and has generated a considerable amount of legal work in the form of requests for legal advice and clearance of implementing regulations.
- The Secretary has identified trade issues related to expanding U.S. agricultural exports within the global economy as one of his major priorities. We anticipate a continuing demand for legal advice concerning trade issues, both as to implementation of current trade agreements and the establishment of new trade agreements, and agreements related to phytosanitary requirements that effect trade in agricultural commodities.
- Management of the Department's extensive loan portfolio continues to generate a high demand for legal services. Those legal services take the form of review of loan documents, participation in litigation to protect the Government's interests, including foreclosure proceedings, and development of program regulations related to these lending programs.
- Addressing the many recommendations of the Civil Rights Action Team Report and provision of advice to USDA officials as they strive to strengthen the Civil Rights programs of the Department will require a considerable amount of legal resources.

Baseline information from which OGC developed its goals and approaches

In order to develop a strategic plan, interviews were conducted with many of the Under and Assistant Secretaries, as well as other agency officials, to determine what aspects of OGC performance were of most importance. Throughout these talks, one aspect of OGC's performance identified as important was responsiveness. At each level of the Department, each agency official expressed a desire for responsive, correct OGC advice so that business can proceed with assurance that no legal issues have been overlooked.

While many agency officials have a general idea of the services OGC provides, few officials have a full understanding of the range of legal services OGC is providing to support their mission area. During the interviews, it became clear that agency officials

need better information concerning the full range of major legal projects with which OGC is involved. Only with that information can agency officials fully appreciate the consequences of focusing OGC resources on a particular project, thus reducing resources devoted to other projects. Further, the General Counsel must be free to make final decisions with respect to deployment of legal resources within the Office of the General Counsel in order to protect the integrity of USDA programs as well as the Federal Treasury.

Based on information gleaned during the baseline interviews, we have concluded that OGC needs to work more closely with agency officials to determine priorities for legal services. By doing so, OGC should be able to improve the responsiveness of the office by focusing attention on those matters identified as having a high priority. While planning activities currently take place, those efforts focus more on requests that some particular task be given attention. Strategic planning efforts will bring agency officials and OGC managers together in establishing shared priorities.

In addition to providing legal review in a responsive manner, OGC must maintain high standards of excellence in order to be effective. Quick, inaccurate legal advice may be worse than no advice at all. Therefore, our goals include providing not only responsive but also effective legal services.

In order to measure performance, the General Counsel will conduct an annual review of OGC's performance. That review will include surveys of agency officials concerning OGC's performance, as well as an internal review of the effectiveness of the legal services provided. That internal review will focus, in part, on the litigation concerning USDA programs as well other measures of effectiveness.

Key External Factors

The more careful prioritizing of legal services envisioned under this strategic plan will improve our ability effectively to ration legal services. However, it is axiomatic that OGC's ability to provide high-quality legal advice for each request for legal services will be affected by staffing levels. Similarly, our ability to improve the overall efficiency of the office through acquisition of computers, communications equipment, and training for our staff is related to the budget resources we receive each year.

Another factor which will affect our ability to accomplish our goals is the number of unforeseen demands for significant legal services such as the passage of major new legislation, the appearance of a significant number of new cases or development of new major policy initiatives. Regardless of our best efforts to plan and manage level resources, during each fiscal year increased demands for legal services can arise. These demands often arise with little advance warning but require OGC to provide immediate advice and/or litigation services.

Mission

OGC's mission is to provide all legal services necessary to support the programs and activities of USDA.

Goals

..... Goal 1

OGC will provide effective legal services in a responsive manner to support USDA activities, consistent with the priorities established by the Secretary of Agriculture.

■ Objective 1.1

OGC will review for legal sufficiency, draft regulations submitted by USDA agencies, and advise the appropriate USDA officials of the results of the review.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- OGC will review submitted regulations and advise agency officials as to whether the draft regulations meet applicable statutory and Constitutional requirements.
- OGC will work with appropriate agency officials to resolve issues identified during legal review of regulations.

Performance Measures

- Surveys and internal reviews indicate that OGC's legal review of draft regulations is conducted in an effective, responsive manner, especially with respect to items identified as having a high priority.

■ Objective 1.2

OGC will draft and provide legal review of documents as requested by USDA and executive branch officials.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- OGC will review documents submitted for review and work with agency officials to redraft documents to comport with all applicable legal requirements.
- Upon request, OGC will draft documents necessary for the conduct of USDA business.

Performance Measures

- Surveys and internal reviews indicate that documents are reviewed or drafted in an effective and responsive manner, especially with respect to matters identified as having a high priority.

■ Objective 1.3

OGC will conduct litigation on behalf of USDA officials and will provide litigation support services to the Department of Justice in cases arising out of USDA programs and activities.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- OGC will institute legal actions on behalf of USDA officials in the appropriate administrative tribunals.

- Where appropriate, OGC will request that the Department of Justice institute suit on behalf of USDA.
- OGC will provide litigation support to the Department of Justice concerning all legal actions filed against or on behalf of USDA officials.
- OGC will provide information concerning ongoing litigation to the appropriate USDA officials.
- As resources permit, OGC will provide representation for USDA officials before administrative tribunals.

Performance Measures

- Surveys and internal reviews indicate that litigation and litigation support services are provided in a responsive, effective manner, especially with respect to matters identified as having a high priority.

■ **Objective 1.4**

OGC will draft legislation and review for legal sufficiency legislative reports and testimony as requested by USDA officials.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- OGC will review and draft legislation pertaining to USDA programs and activities.
- OGC will review legislative reports and draft testimony to be given by USDA officials.

Performance Measures

- Surveys and internal reviews indicate that legal services related to legislation are provided in an effective and responsive manner, especially with respect to matters identified as having a high priority.

■ **Objective 1.5**

OGC will provide counseling to USDA officials concerning issues arising out of USDA programs and activities.

Time Frame for Completion

Ongoing.

Performance Measures

- Surveys and internal reviews indicate that legal services are provided in an effective and responsive manner, especially with respect to matters identified as having a high priority.

■ **Objective 1.6**

OGC will create a Civil Rights unit within OGC which will provide legal services to support the Department's Civil Rights Program.

Time Frame for Completion

Ongoing.

Strategies for Achieving the Objective

- Establish Civil Rights unit within OGC.
- Advertise position and intent to select Associate General Counsel for Civil Rights.
- Select Associate General Counsel for Civil Rights.
- Define responsibilities of Civil Rights unit.

Performance Measures

- Surveys and internal reviews indicate that legal services are provided in an effective and responsive manner, especially with respect to matters identified as having a high priority.
- Associate General Counsel for Civil Rights appointed, staff selected for Civil Rights Division and responsibilities defined.

Management Initiatives

■ Management Initiative 1

The Office of the General Counsel will develop a more productive, diverse workforce.

Strategy 1

We will improve internal and external communications and information management within OGC.

Time Frame for Completion

Ongoing.

Performance Measures

- Study the feasibility of providing Internet access to all personnel of OGC who express a desire to utilize such services, and if possible, provide Internet access to all OGC employees.
- Continue with implementation of the Paradox software-based work tracking system.
- Consider the feasibility of linking existing local area networks (LANs) into one wide area network (WAN).

Strategy 2

We will promote workforce diversity.

Time Frame for Completion

Ongoing.

Performance Measures

- Conduct an outreach program to ensure that public announcements by OGC concerning employment opportunities are circulated to minority law student associations and other minority professional legal organizations.
- All OGC managers receive training concerning management of a diverse workforce.

Linkage of Goals to Annual Performance Plan

The Office of the General Counsel will develop an Annual Performance Plan using the same performance measures which underlie this Strategic Plan. Our performance measures focus on whether OGC has provided effective, responsive legal services. We will measure performance using customer satisfaction surveys of USDA officials and internal reviews. USDA officials will indicate whether OGC services were effective and responsive, taking into account established priorities. The internal reviews will determine whether OGC services were effective, based on factors such as absence of litigation, litigation outcomes and whether OGC review contributed to effective program delivery. OGC's goal is linked to the budget program activity of Legal Services.

Resources Needed

It is anticipated that the total resource levels provided for the Office of the General Counsel are adequate to meet the foremost legal service needs of the Department. Should funding be provided at a level that is less than requested, OGC would be forced to take actions to live within the appropriations provided. Such actions would include reductions in staff and office closings, which would affect OGC's ability to provide the Department with adequate legal service. After our first year of implementation, we will review the appropriateness of the goals and measures set forth in the plan.

Program Evaluation

In order to develop our strategic plan, we considered a number of sources for baseline information. Because we have not, before now, conducted regular surveys of agency officials or conducted the type of reviews contemplated by this plan, we do not yet have data necessary to establish a baseline. In developing this plan, we did use a number of sources of information which are described in the introduction to the plan. In order to measure performance, we will use the information garnered from the periodic consultations with USDA officials to assign priorities to work handled by OGC.

The General Counsel will use an annual assessment to determine how successful OGC was in providing effective, responsive legal services to USDA officials concerning the projects identified as most significant. This assessment will include surveys of USDA officials to seek their views concerning the responsiveness and effectiveness of OGC legal review. The assessment will also include internal reviews to determine the effectiveness of OGC legal services. Factors will include but not be limited to incidence and outcomes of litigation and how legal services promoted effective program delivery.

Role of External Entities

No external entities contributed to the development of this strategic plan.



class 10
100

1. The first part of the book is devoted to the study of the history of the Indian people. It is a very interesting and informative book. It is a must-read for all those who are interested in the history of India.

2. The second part of the book is devoted to the study of the culture of the Indian people. It is a very interesting and informative book. It is a must-read for all those who are interested in the culture of India.

3. The third part of the book is devoted to the study of the religion of the Indian people. It is a very interesting and informative book. It is a must-read for all those who are interested in the religion of India.

100-100 (1000) 100-100

100-100 (1000) 100-100

100-100 (1000) 100-100
100-100 (1000) 100-100
100-100 (1000) 100-100
100-100 (1000) 100-100
100-100 (1000) 100-100



Office of the Inspector General (OIG) Strategic Plan

Table of Contents

Introduction	11-101
Key External Factors	11-102
Mission	11-102
Goals	11-102
Linkage of Goals to Annual Performance Plan	11-106
Resources Needed	11-107
Program Evaluation	11-107
Role of External Entities	11-107

[Faint, illegible handwritten text]

Introduction

The U.S. Department of Agriculture, Office of Inspector General (OIG), has developed the following strategic plan covering fiscal years (FY) 1997 through FY 2002. The overall goal of the strategic plan is to serve as the basis for directing OIG resources to assist USDA managers in improving the Department's operations through the performance of audits and investigations.

USDA, OIG operates under authority established with the enactment of the Inspector General Act of 1978 (Public Law 95-452) and the 1988 amendment (Public Law 100-504). The Act states that the OIG was established:

- to conduct and supervise audits and investigations relating to the programs and operations of their respective departments and agencies;
- to provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of the agencies' programs and operations, and to detect fraud and abuse in such programs and operations; and
- to provide a means for keeping the head of the department or agency and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

USDA, OIG is headquartered in Washington, D.C. and has eight geographically dispersed regional offices. For FY 1997, OIG's personnel ceiling was 754 and the funding level was \$63 million.

OIG's audit and investigative universe comprises all programs, functions, and organizations of the Department. Currently, this consists of 30 agencies which administer more than 300 programs involving thousands of participants, contractors, and grantees. The value of benefits provided to the public by USDA in FY 1996 was \$78 billion. These benefits may be in the form of financial assistance through grants, guaranteed or direct loans (USDA's outstanding portfolio exceeds \$100 billion), cost-sharing, professional services such as research or technical assistance, or in-kind benefits such as commodities.

In FY 1996, OIG issued 282 audit reports and 956 investigative reports. We reached management decision on 245 audit reports which depicted findings with questioned and unsupported costs and loans that totaled \$1.6 billion, recommendations for recovery of funds totaling \$11.4 million, and \$264.7 million in funds that could be put to better use. Our investigations casework resulted in 941 indictments, 738 convictions, 106 law suits filed, and total monetary results of \$71.5 million.

We employ strategic planning to improve the efficiency of our efforts to support the fulfillment of the USDA mission. This approach enables us to prioritize potential audit and investigative areas to focus our resources on those programs where we can have the greatest impact. We concentrate on those programs that are most vulnerable to fraud, waste, and abuse and on those where the largest dollar losses are most likely to occur. We also embark on new initiatives like the growing public concerns about health and safety issues. In each strategic area, we establish goals and plans for both short- and long-term emphasis. We work closely with agency management to identify those areas where they believe we can best serve their needs. We publish an annual plan that describes the current audit and investigative environment, the most significant undertakings for the year, and a listing of all planned jobs.

The basis for the development of this strategic plan is the profile of each agency within USDA that we have developed and maintained. The profiles contain background information that includes the mission of each agency, program, or functional

area; the legislative history; and the organizational structure and staffing of the agency. The profiles also contain information on the agency's funding history, detail how its budget is allocated, and discuss the major initiatives included in its latest budget submission. The profiles contain detailed information on the accounting, financial management, and information management systems of the entity. In addition, the profiles include a description of the control mechanisms in place to ensure that the systems operate as intended, OIG's analysis of the inherent risk associated with the systems, and a history of recent audits performed on the system.

Although OIG functions as an independent and objective unit, it has and will continue to coordinate and form partnerships with other entities inside and outside the Department of Agriculture. This process assists OIG to identify the best way to address issues of concern to the Department and OIG's customers and stakeholders. For example, we work closely with the Department's Office of the Chief Financial Officer on management control and financial issues, and State auditors in the reviews of State-administered Federal programs. This coordination also permits OIG to partner with other OIG's, agencies, and the Congress to avoid duplication of effort and to gain greater impact in addressing issues by combining the products of the work of other entities with our own.

Key External Factors

There are several key external and uncontrollable factors that could affect the achievement of OIG's goals and objectives. Among these are the following:

Resource Impacts. OIG operations cannot be optimized at the present funding levels. For example, numerous highly vulnerable areas that directly impact upon the health, safety, and well-being of the Nation's citizens go unchecked because OIG does not have sufficient staff and other resources to preclude or detect them. In addition, the program integrity of the Department is imperiled because OIG is unable to audit and investigate all suspected fraudulent activity.

Access to training and equipment may be restricted due to lack of sufficient funding. Changes in technological developments that we are not able to keep in pace with could significantly hamper our efficiency.

Implementation of OIG Recommendations. OIG makes recommendations which are not binding on USDA agencies or Congress. If these entities opt not to take the recommended action, the extent of the achievement of our stated goal to improve the Department's operations would be lessened.

Timeliness of Agency Actions. OIG is required to have financial statement audits completed so the Department can transmit the reports to the Office of Management and Budget by March 1 of each year. OIG cannot fulfill this requirement if the agencies do not provide the statements for audit in a timely manner.

OIG

Mission

OIG's mission is to conduct and supervise audits and investigations to prevent or detect fraud and to improve the effectiveness of USDA programs by recommending changes that will increase efficiency and reduce wasteful and fraudulent activities.

Goals

Goal 1

Promote economy, efficiency, and effectiveness in the administration of USDA programs and operations.

This goal supports all of USDA's Goals and Management Initiative 3, "Create a unified system of information technology management".

■ Objective 1.1

Identify the most significant programs or areas for audit and investigation and allocate resources accordingly.

Time Frame for Completion

These tasks will be completed annually and reassessed as needed. The initial reassessment will be conducted no later than FY 2001.

Strategies for Achieving the Objective

- Maintain ongoing liaison with agency officials, key congressional committees, U.S. attorneys, and central guidance agencies to ensure cognizance of burgeoning areas.
- Develop the OIG profiles to include assessments of legislative histories; regulatory promulgations; areas of vulnerability to fraud, waste, and abuse; adequacy of agencies' systems; and prior audit and investigative history.
- Prioritize issues through the OIG strategies to identify and establish where resources are needed and to serve as the primary basis for annual planning.
- Convene with OIG managers semiannually to create and amend the OIG Annual Audit and Investigative Plan; in addition, reassess the need for further modifications to the Plan on an ongoing basis.

Performance Measure

- Annually assess the planning process to gauge the achievement of the goal by retroactively comparing what was done with what should have been done.

Performance Target

- Identify the most significant issues warranting audit and investigation and allocate resources accordingly.

■ Objective 1.2

Devote audit and investigative resources in the areas identified.

Time Frame for Completion

These tasks will be completed annually and reassessed as needed. The initial reassessment will be conducted no later than FY 2002.

Strategies for Achieving the Objective

- Schedule audits and investigations, and assign experienced and competent staff to carry out the Plan.
- Monitor the execution of the Plan to ensure the timeliness of work performed, and the economy and efficiency of the use of resources.

Performance Measure

- Percentage of the number of audits and investigations in the Annual Plan for which work was initiated.

Performance Target

- Initiate 80 percent of the audits and investigations in the Annual Plan.

Outcome Measure for Goal 1

- Monetary results of audits and investigations expressed in terms of questioned/ unsupported costs and loans, funds to be put to better use, recoveries and/or cost avoidances.

Goal 2

Promote USDA's conformity with applicable principles, standards, and related requirements by fostering improvements in financial systems and financial reporting which will enhance the Department's fulfillment of its fiduciary responsibilities.

This goal supports USDA's Goal 1.3, "Provide access to capital and credit to enhance the ability of rural communities to develop, grow, and invest in projects to expand economic opportunities and improve the quality of life for farm and rural residents". It also supports Management Initiative 4, "Improve financial management and reporting".

■ Objective 2.1

Identify system, control, or compliance weaknesses which preclude the safeguarding and accountability over funds, property, and other assets.

Time Frame for Completion

These tasks will be completed annually and reassessed as needed. The initial reassessment will be conducted no later than FY 2002.

Strategies for Achieving the Objective

- Conduct financial statement audits as required by the CFO Act.
- Provide consultations to agency financial managers to develop solutions to accounting and financial problems.

Performance Measure

- Percentage of financial statement audits issued by March 1.

Performance Targets

- Complete all financial statement audits by March 1 of each year.

Outcome Measures for Goal 2

- Monetary results of financial statement adjustments.
- Numbers of recommendations to strengthen financial controls and foster compliance with laws and regulations.

* * * * *

Goal 3

Promote program integrity by detecting fraud, waste, and abuse in the Department to provide assurance that legal and regulatory requirements are met.

This supports USDA's Goals 2.1, "Reduce hunger by assuring low-income households access to adequate supplies of nutritious food"; 2.2, "Reduce the incidence of food borne illness and ensure that commercial supplies are safe and wholesome"; and 2.5, "Enhance world food security and assist in the reduction of world hunger". It also supports USDA Management Initiatives 1, "Ensure that all customers and employees are treated fairly and equitably, with dignity and respect"; 2, "Improve customer service by streamlining and restructuring county offices", and 4, "Improve financial management and reporting".

■ Objective 3.1

Identify potential criminal violations impacting the Department.

Time Frame for Completion

These tasks will be completed annually and reassessed as needed. The initial reassessment will be conducted no later than FY 2002.

Strategies for Achieving the Objective

- Evaluate historical investigative data and conduct trend analysis.
- Evaluate USDA agency investigative referrals.
- Evaluate intelligence derived from other law enforcement sources, informants, and complainants.

Performance Measure

- Number of fraud reports of investigation issued.

Performance Target

- Forty-Six (46) percent of total fraud investigations reported will result in criminal prosecutions.

■ Objective 3.2

Identify potential misuse of USDA funds.

Time Frame for Completion

These tasks will be completed annually and reassessed as needed. The initial reassessment will be conducted no later than FY 2002.

Strategies for Achieving the Objective

- Evaluate the potential for capturing monetary results in each investigation.

Performance Measure

- Number of fraud investigations resulting in monetary results.

Performance Target

- Sixty (60) percent of total reported fraud investigations will result in fines, penalties, recoveries, restitutions, cost avoidances, or other payments.

■ Objective 3.3**Identify instances of serious USDA employee misconduct.****Time Frame for Completion**

These tasks will be completed annually and reassessed as needed. The initial reassessment will be conducted no later than FY 2002.

Strategies for Achieving the Objective

- Evaluate USDA agency referrals and hotline complaints.

Performance Measure

- Number of employee misconduct reports of investigation issued.

Performance Target

- Fifty (50) percent of total reported employee misconduct investigations will result in corrective or disciplinary action.

Outcome Measures for Goal 3

- Percentage of total reported fraud investigations resulting in criminal prosecutions.
- Percentage of total reported fraud investigations resulting in fines, penalties, recoveries, restitutions, cost avoidances, or other payments.
- Percentage of total reported employee misconduct investigations resulting in corrective or disciplinary actions.

Linkage of Goals to Annual Performance Plan

The goals and performance measures presented in this strategic plan will also be used in the Annual Performance Plan. The performance plan goals will set a target level of incrementally increased performance each year. We will measure and report on our success in achieving each annual performance target. The performance measurement process will produce an annual indicator which we will use to chart our progress toward achieving each goal. The goals are designed to improve our ability to provide an outcome which will benefit the Department.

As to Goal 1, we will provide recommendations for improvements that, when implemented, will increase the efficiency and economical operation of the Department. We will report annually on the savings, reductions in cost, recoveries, and funds to be put to better use that we have recommended.

As to Goal 2, we will promote the adequacy of USDA's financial systems and reporting through audit and consultative services. Each year in the performance plan, we will measure and report on our efforts in assisting the Department in generating financial statements which warrant unqualified audit opinions.

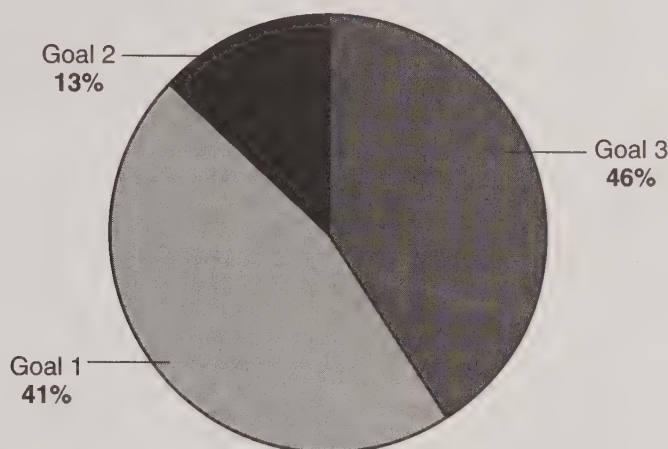
As to Goal 3, we will promote legal and regulatory adherence and foster program integrity. Each year in the performance plan, we will provide focused performance goals that set targets for the levels of cases that we will act upon, and will report on the results of these actions.

Resources Needed

In order to address the innumerable demands for audits and investigations to preclude or detect situations which could impair the health, safety, or welfare of the Nation's citizenry or the fiscal integrity of the Department's financial activities, OIG anticipates it will need additional staff over the next 5 years to better fulfill its mission.

Our goals are prioritized in accordance with the resources allocated to each. Our allocation of these resources is 46 percent applied to Goal 3; 41 percent applied to Goal 1; and 13 percent applied to Goal 2.

FY 1997 Distribution of OIG Resources by Goal



Program Evaluation

In the development of this plan, we conducted several evaluations such as canvassing stakeholder groups like agency management. We analyzed the issues surfaced and crafted our goals and objectives to address them. The results and impacts of the programs and policies undertaken as goals and objectives in this strategic plan, and as performance goals in the USDA, OIG Annual Performance Plan, will be evaluated. Evaluation data will be gathered from our automated tracking system; from customer satisfaction surveys conducted as needed; and from the accumulated experience of OIG senior management in implementing the steps developed to achieve the goals and objectives of the prior year's plan.

The information obtained from each year's performance measurements will be analyzed and used to determine whether OIG has achieved its annual performance goals, and is progressing toward achieving its general goals and objectives. We will review the results of our performance and make decisions as to whether any changes in external and/or internal factors may warrant a modification in one or more of our goals and objectives. We will also examine the effectiveness of the performance measures to determine whether they continue to be appropriate, or should be modified/refocused for the next fiscal year. In this manner, we will strive to consistently improve our information gathering techniques and obtain the data that supports the best possible measures of the critical elements of our operations. Program evaluations will be conducted annually.

We will also continue to canvass our stakeholders through annual focus group meetings. In addition, we will annually assess the results of the customer surveys generated at the completion of all audits to strengthen our policies and procedures.

Role of External Entities

This strategic plan was prepared by OIG personnel without the assistance of external entities.

Page 3

The following information was obtained from the records of the
 Department of the Interior, Bureau of Land Management, on
 the date of the hearing held on the above captioned matter.
 The records reflect that the land in question is owned by
 the United States of America, and is located in the
 State of California, County of [County Name], and
 is situated in the [Township Name] Township, [Range Name]
 Range, [Section Name] Section, [County Name] County,
 State of California. The land is described as follows:
 [Detailed description of the land parcel, including acreage, location, and any other relevant details.]

* NATIONAL AGRICULTURAL LIBRARY



1022457863

NATIONAL AGRICULTURAL LIBRARY



1022457863